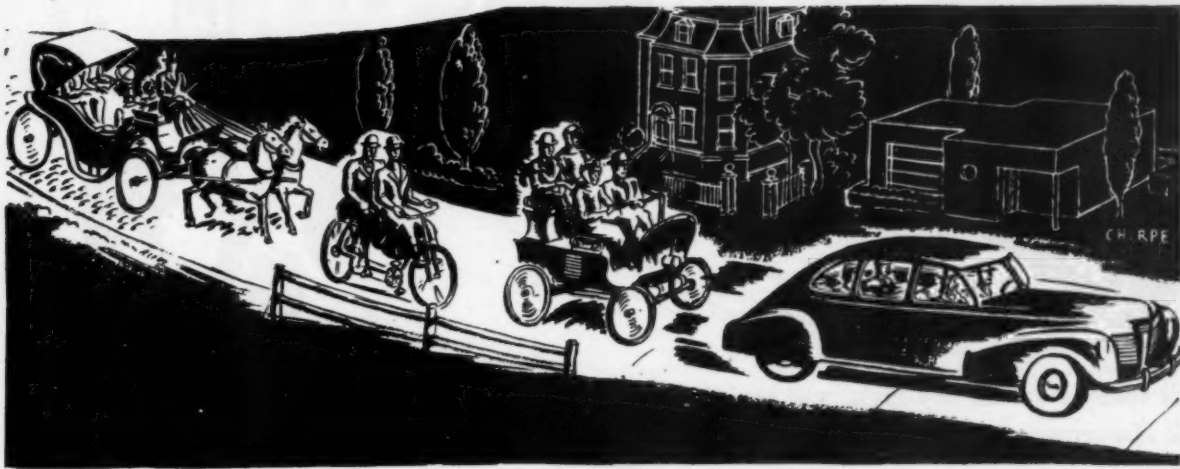


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THURSDAY, MAY 30, 1946

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That such "Service Beyond the Contract" is welcome has been the experience of many alert agents country-wide who have seen their duty and done it. These agents report a high average of sales of additional Fire Insurance, and that they also pick up on the side Fire Contents, Extended Coverage and other new business.

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Chase Smith Brands Stone Plan as 'Nonsense'

Charges Easy Deviation Pattern Would Cause 'Shambles'

Without naming E. C. Stone, Chase M. Smith, general counsel of the Kemper companies, in addressing a meeting of the insurance group of the Union League Club of Chicago, took sharp exception to the doctrine that Mr. Stone has been preaching throughout the country as to the principles that should be embodied in state rate regulation.

Mr. Stone, who is U. S. manager of Employers' Liability, is insisting that any solvent insurer should be permitted to use a rate that is as low as any rate that has been approved for any other company in the state.

Mr. Smith who is a member of the all industry committee contends that such doctrine is "rank nonsense." He says that it would be unfair and that it would engender destructive competition and that the insurance picture would become a "shambles."

Mr. Smith contended that the legislation that is enacted must be for a definite purpose. Both in form and effect the state laws must protect the public against unreasonable or unfair charges due to concerted action and must be to guard against insolvency of insurers.

Sees No Obstacle

The program of perfecting putative legislation is now in its very final stages, Mr. Smith asserted. He declared that he sees no obstacle to complete agreement on the part of the all industry committee and the commissioners.

Mr. Smith spoke in the highest terms of the personnel and of the work of the all industry committee. When the S.E.U.A. decision was handed down, he said, the industry shuddered at the prospect of becoming subject to the anti-trust laws and to the federal trade commission act. Insurance became numb for awhile. Much time was wasted at first, he contended, in talking about seeking to get an amendment to the constitution, an idea which he declared should have been dismissed summarily. The insurance industry, he asserted, suffered from a lack of imagination in looking with horror upon having branded as sin, activities that in every other field of activity are so regarded.

The all industry committee, he recalled, was set up in May, 1945, at the instance of the commissioners and was instructed to solve every problem except that of rate regulation. It soon dawned on the committee, however, that rate regulation was the No. 1 job and it set out with a determination to solve it.

The committee, he declared, has worked hard and has held endless meetings in its efforts to reconcile differences. He said he has never seen an example of better cooperation and desire to do a job.

Issues Fairly on the Table

The members are shrewd and determined and each one has self-interest at stake, but they are all men of integrity and are fair. Every issue has been fairly on the table.

Mr. Smith gave a thumbnail sketch of

San Antonio Loss Revised to Exceed \$6 Million

Revised estimates of the San Antonio hailstorm of May 16 show an insurance loss in the neighborhood of \$6 million arising from 30,000 claims. J. F. Miazza, assistant general manager of the southwestern department of F.C.A.B., who last week sent out a bulletin with estimates of 20,000 claims and a loss of \$2½ million, has revised figures upwards and reports the storm the worst in San Antonio history.

Mr. Miazza points out that storm losses in Texas for May alone now amount to \$10,140,500.

In the San Antonio storm approximately 50% of buildings in the city were damaged either from hail or accompanying strong winds which attained peak gusts of 82 miles per hour. Hail stones were hard in substance and much larger than in previous storms and covered a wider area.

Mr. Miazza said that material and labor costs are 25% higher than after the last major San Antonio storm two years ago. In addition there is a dearth of materials and workmen and resulting delays may bring about additional loss of interior damage in case of subsequent rains. It was also noted that several adjusters, who are reserve officers in the army engineers, have been called back in government service because of the strike situation.

F.C.A.B. has sent additional adjusters and clerical help to the city and the National Board has installed a supervisory office to act as a clearing house for the work.

Principal storms thus far in Texas are those at San Antonio, Laredo, Kerrville, Dallas, Fredericksburg, where mutual companies have much cover, and east and central Texas. These storms have brought approximately 63,000 claims.

the federal acts now affecting insurance. A subcommittee, he said, has recommended state legislation to oust the Clayton act in its restriction of stock ownership and interlocking directorates in the insurance field. However, that draft is only in tentative shape. Unless such a law is enacted, Mr. Smith predicted, company fleets will be faced with the necessity of making sweeping changes.

The rate regulatory acts, Mr. Smith declared, will supplement the provisions of the Robinson-Patman act and he indicated the belief that the problems in that connection will be satisfactorily disposed of.

Problems as to FTC Act

The final solution, insofar as the federal trade commission act is concerned, is not clear. Even a model state law is unlikely to keep the federal trade commission out of the picture. The insurance commissioners are particularly fearful of the FTC as a threat to state supervision. Others fear that a little federal trade commission act in 48 states would be worse than the federal arm and it is doubtful whether such laws would oust the FTC anyway.

In the matter of rate regulation, Mr. Smith declared that the stability of insurance has been predicated on the work of rating organizations. Virtually everyone regards such organizations as necessary in order to prevent chaotic competition. There would be no advantage to a presently independent insurer if everyone were operating on an independent basis.

Mr. Smith sketched the main provisions of the latest product of the all industry committee. The bill requires

(CONTINUED ON PAGE 15)

Mich. KO's Repair, Replace Cover

LANSING—Commissioner Forbes has issued an order directing the factory mutuals to discontinue sale of repair or replacement cover.

Coincidentally, Mr. Forbes declared that the factory mutuals "and any other company or groups of companies which may have attached the endorsement under consideration to Michigan standard policies . . . without the approval of the commissioner . . . are to be severely criticised."

Mr. Forbes had requested the manager of the factory mutual rating bureau to submit a copy of the questioned endorsement to the department April 9, 1945, and it was submitted April 20 of that year but was not approved. The 1945 legislature adopted an amendment to the code providing that "additional coverage" by riders or endorsements, might be permitted "after approval of form and coverage by the commissioner." As the factory mutuals were still reported to be using the endorsement in this state, the commissioner called a hearing in May of this year at which members of the association and the mutual rating bureau were represented.

The commissioner received a brief upholding the endorsement from F. H. Hebert, general counsel for the factory mutuals, and heard arguments in its behalf, together with arguments against the rider from Horace B. Corell, deputy commissioner; L. H. Moore, chief rater, and Arnold Renner, chief of the state police fire division.

The state's representatives argued that continued use of the endorsement would increase incendiary fires; competition would force all companies to write similar coverage; that it would not be in the public interest to write a form of coverage under which a "profit" could be realized from an insurance loss, and that approval of such an endorsement would alter the "legislative intent" as to coverage contemplated in the standard fire policy.

The commissioner found that the endorsement could not be deemed "additional coverage" within the meaning of the Michigan law, that it would "guarantee in advance of a loss" that the property damaged or destroyed would be replaced with materials of like kind and quality "without provision for depreciation," thus opening the way for profit on the part of unscrupulous assured and creating a terrific moral hazard. It was noted that the only requirement on the owner of a 50 year old building worth \$500,000 in order to obtain a building worth \$1 million following a fire, would be that the assured carry \$1 million coverage.

"The endorsement even goes as far as to include machinery in addition to buildings," the commissioner states. "No deduction would be made for depreciation in settling the loss on the machinery no matter how old the machines might be."

The order requires that all endorsements attached to existing policies are to be canceled not later than July 1, with pro rata refunds to policyholders.

Mass. Bill Seeks to Get Unclaimed Funds for Vets

BOSTON—The Massachusetts senate has approved legislation which would require domestic insurers to turn over all unclaimed funds to the state treasury to establish a fund for the rehabilitation of veterans of the second world war. The senate refused an amendment to limit the measure to unclaimed funds accumulating only in the past 20 years.

Rating Bill Pact Is Now All But Sealed

Industry and Commission- ers Group in Almost Complete Agreement

NEW YORK—The representatives of the insurance commissioners and of the insurance industry who have been fashioning the model fire and casualty bills are still at odds on whether the "reasonable margin for profit" to which "due consideration" is to be given in rate-making should include all profits, as the N.A.I.C. conferees contend or should be confined to underwriting profit, as the fire and casualty people argue but otherwise those representing the commissioners and the industry have reached a complete accord on rate legislation, according to a report released this week by the subcommittee of the N.A.I.C. committee on rates and rating organizations.

The subcommittee points out that while the model bills were accepted by the subcommittee and the all industry committee's conference committee they are still subject to ratification by the full committee on rates and rating organizations and to approval by the N.A.I.C. at Portland and by the full all industry committee.

Solution to Impasse

The solution to the impasse on the scope of the term "profit" was to use the word in the bills without the adjective "underwriting" but to indicate by a footnote that the all industry conference committee believes the word "underwriting" should precede the word "profit" but that the N.A.I.C. is giving further study to this matter. Besides issuing the complete texts of the two bills and the final report on its series of meetings, the subcommittee released reports on its meetings at French Lick March 11-14, Chicago April 23-26, Atlantic City April 29-May 8, and New York May 17-18.

The final report analyzes the two bills and goes into some detail on differences between the new bills and the bills submitted to the N.A.I.C. last December and issued later, with minor changes as the Jan. 18, 1946, draft.

Pointing out that in many respects the fire and casualty rating bills are identical, the report first takes up the casualty-surety rating bill. Section 1 gives the act's purpose. This makes reference to Congress' willingness to permit co-operative action, including price-fixing in the insurance business on a state level provided such activity was regulated and at the same time maintained reasonable competition. It was felt that insertion of a purpose clause together with a provision calling for a liberal interpretation of the bill would serve as a guide for state administrators in interpreting and enforcing the new law.

Section 2 defines the act's scope. Of particular interest is the fact that unanimous agreement was reached on the point that the rates for all forms of motor vehicle insurance shall be regulated under the casualty bill.

Up to the time that work was completed on these two bills there were differences of opinion as to the manner

(CONTINUED ON PAGE 16)

National Board Reelects Officers

**Annual Meeting Well
Attended; Committees
Report Work of Year**

NEW YORK—An impressive aggregation of more than 700 fire insurance executives attended the National Board annual meeting here. There were a number of guests from casualty and other fields on hand for the luncheon at which Rep. Hatton Summers spoke. Many of those attending the luncheon left early either to catch commuter trains or to get transportation to other parts of the country. Many of those who attended the meeting were from other parts of the country. Many of those who attended York by the railroad strike.

All officers of the board were re-elected, Frank A. Christensen, vice-president of America Fore, president; J. M. Haines, Phoenix Assurance, vice-president; B. M. Culver, America Fore, treasurer; Peter J. Berry, Security of New Haven, secretary; W. E. Mallalieu, general manager, and A. Bruce Bielaski and R. C. Stange, assistant general managers.

Executive Committee

New members of the executive committee are Charles S. Kremer, president of Hartford Fire; John F. Gilliams, president of Camden Fire; Oswald Tre-gaskis, U. S. manager of Sun; Harold Junker, vice-president of United States Fire; Chris D. Sheffe, U. S. manager of London Assurance, and Bruno C. Vitt, vice-president of American. Mr. Vitt fills the unexpired term of Laurence E. Falls of the same company.

Mr. Mallalieu took a bow on his 40 years with the board. Mr. Gilliams presented a resolution which noted the fiftieth anniversary of the National Fire Protection Association. George C. Long, Jr., of the Phoenix-Connecticut group and Esmond Ewing of Travelers both spoke in commendation of the presidential address of Mr. Christensen. Mr. Ewing pointed out that public relations is not a very descriptive term, that what the fire insurance business really needs is public understanding. It has been too complacent in the belief that it had that understanding, but the S.E.U.A. case and subsequent developments jarred the business out of that complacency. He recommended that the talk by Mr. Christensen be given wide distribution not only among fire insurance people but among teachers, editors, and so on. This came in the form of a motion and was carried. W. T. Koop, Great American, reported for the nominating committee.

The Actuarial Bureau committee reported that a formula for computing earned premiums by lines of business has been developed. The formula will provide a uniform method of determining earned premiums by line of business on a composite basis for each state. The mutual fire insurance interests have cooperated in the development of the formula and the National Board subcommittee representing the committees on uniform accounting and the actuarial bureau have discussed the subject with a special committee of the National Association of Insurance Commissioners as well as with other interests in the business.

There are now 17 states with legislative committees or commissions studying necessary insurance laws in the light of the S.E.U.A. decision and public law 15, the report of the committee on laws of the National Board reported at the annual meeting. The all-industry committee is making substantial progress in bringing together divergent views of the different divisions of the business on the subject of rate regulation, and a draft of a fire rate regulatory bill on which all branches of the business can agree appears to be close to completion.

The danger of divergent state laws on the classification of accounts and

N.F.P.A. to Tackle Problems of Fur Storage Vaults

Fur storage vaults will be discussed in the report of the committee on general storage to be presented at the 50th annual meeting of the National Fire Protection Association at Boston June 3-7 by Committee Chairman Walter S. Paine of Aetna Casualty.

The committee proposes a new standard for safeguarding fur storage which covers the construction and arrangement of vaults, elimination of fire hazards and the installation of fire protection equipment. A series of heavy losses in fur vaults has led the committee to specify vaults of limited area to avoid exposing excessive values to destruction in any one fire. The standards propose a maximum of 15,000 cubic feet volume in any one vault space and specify either automatic sprinkler protection or automatic carbon dioxide extinguishing system wherever the vaults exceed 10,000 cubic feet. The arrangement of garments on racks, maintenance of adequate aisle spaces, special provisions for minimizing possible water damage and related features are covered in detail.

The committee will also present for adoption a standard on general storage. The frequency, severity and dollar value of fires involving stored commodities have increased sharply since the beginning of the war. This is due to shortage of storage space resulting in overcrowding and utilization of buildings of inferior construction, concentration of values to simplify distribution problems, increased use of mechanical handling equipment with incidental hazards.

U. S. A. Manager Reports

Benjamin Richards, Underwriters' Service Association, Chicago, will report as chairman of the committee on finishing processes. A section has been added to cover the installation of a new development known as electrostatic spray painting where the particles of paint are carried uniformly and instantly to the complete surface of an object being painted.

It has been determined that some 40% of the concerns having complete fire losses have been obliged to go out of business because of destruction of their records and the committee on protection of records headed by A. J. Steiner, Underwriters' Laboratories, charges that the greatest handicap to protection of records can be laid at the door of the average owner or custodian of records. The committee will present recommendations for record protection.

Need for Deluge Systems

K. W. Adkins, Missouri Inspection Bureau, chairman of the committee on automatic sprinklers, recommends complete revision of the section on pre-action and deluge systems.

Conditions of occupancy or special

statistics has been minimized, the committee said. The New York insurance department has announced its purpose of working with the National Association of Insurance Commissioners on a program in connection with uniform accounting. This should produce more complete statistics in the interests of the business and the public, according to the committee.

The committee on construction of buildings said that during the past year it cooperated in preparing or advising building codes for 127 municipalities for Connecticut and New Jersey. There has been a remarkable revival in the work of building code development in the past six months, according to the committee. Enrollment of students in courses of architecture and structural engineering or uses made of the National Board building code as a text book and in veteran training programs has exceeded expectation and is approaching pre-war level.

hazards may require quick application of large quantities of water and in such cases deluge systems are likely to be needed. Care should be exercised to select heat-responsive devices having an adjustment to assure proper operation and to guard against premature operation from normally fluctuating temperatures.

In locations where temperatures, at ceilings, are likely to be high from sources of heat other than fire conditions, such as manufacturing processes, boiler rooms and dry kilns it is necessary to give special consideration to the selection of heat-responsive devices operating normally at higher than ordinary temperatures and which are capable of withstanding the normal high temperatures for long periods of time.

Protection of piping against damage due to earthquakes is also covered.

Interior Finish Materials

Francis R. Sherer, architect for the Rochester school system and chairman of committee on safety to life, refers to the possible additional life hazard from fire which may be involved in the use of interior finish materials having a greater combustibility and greater potentialities of smoke generation than in the case of older types. It is possible that where highly combustible interior finish materials are used the rate of spread of fire and smoke may be so rapid that the exits specified in the building exits code may not necessarily be adequate.

The committee on hazardous chemicals and explosives will recommend that sodium and potassium fires be extinguished by smothering with dry graphite, dry sand or dry loose soda ash and warn against use of water.

Grease Fire Problems

Winthrop M. Jones, chief engineer of Factory Insurance Association, chairman of the committee on blower systems, will present revised standards for the installation of blower and exhaust systems. The amendments will answer many problems which fire departments have been experiencing in fires in restaurant and hotel kitchen vent systems. Greasy vapors from frying foods condense in the vents and coat the pipes and eventually catch on fire. Due to the inaccessibility of the vents they are very difficult fires to fight.

A. L. Cobb, Eastman Kodak Co., and chairman of the committee on special extinguishing systems, will present revised standards on water spray (fog) systems. Water spray is not advocated as a general substitute for the use of automatic sprinklers or ordinary hose lines but only for those special hazards where use of such systems is indicated. The use of water spray systems is most advantageous on fires involving flammable liquid not miscible with water, but is not necessarily so limited.

Ionization of Air

Edgar J. Meyers, E. I. DuPont de Nemours & Co., and chairman of the committee on static electricity, suggests a new practical method for elimination of static electricity from machinery and from moving paper, plastic sheeting, textiles and other materials. It involves ionization of the air by radioactive substance or material. A continuous source of alpha radiation from the radioactive surface ionizes the surrounding air in close proximity to the radioactive surface.

W. W. Lewis, General Electric Co., and chairman committee on protection against lightning, will recommend adoption of provisions covering lightning rods or other protection for tanks and structures containing flammable liquids and gases. Steel tanks for gasoline and

Michigan Agents Program Complete

LANSING, MICH.—Complete program for the insurance institute sponsored by the Michigan Association of Insurance Agents to be conducted June 10-14 at Clear Lake, between Battle Creek and Hastings, has been announced by Waldo O. Hildebrand, secretary-manager.

President Edward R. Moore, Port Huron, will speak the first day on "The Insurance Business as a Vocation." Herbert B. Thompson, life and fraternal division head, Michigan department, will talk on "Insurance Laws." "Fire Insurance Contract" will be discussed by H. T. Stock, director of education Michigan association. The sound film "Before the Alarm" will be shown.

Program the Second Day

June 11, Mr. Stock will discuss "Dwelling and Contents Form," and "Residence and Outside Theft and Comprehensive Personal Liability" will be the topic of G. R. Holden, Jr., Aetna Casualty instructor, Hartford. "Financial Responsibility Laws" will be discussed by W. C. Searl, secretary Auto Owners, Lansing. "Owners, Landlords and Tenants, Manufacturers, Contractors, etc., Liability" by Mr. Holden, and "Automobile and Garage Insurance" by Mr. Stock. An accident insurance movie "Difficult Problem; Simple Solution" will be presented.

The June 12 program will start with Mr. Holden's discussion of "Products, Elevator and General Liability." L. C. Christman, manager analytical department Standard Accident, Detroit, will talk on "Workmen's Compensation" and Mr. Stock on "Power Plant and Plate Glass." The movies will be "Approved by the Underwriters" and "No Time to Lose."

U. & O. and Aviation

June 13 Mr. Stock will discuss "Use and Occupancy and Agency Management"; "Aviation Insurance" by E. L. Stephenson, manager Associated Aviation Underwriters, Chicago; "Inland Marine Cover, Personal Property Floater, Transportation, etc.," P. J. Leen, western marine manager Fireman's Fund, Chicago, and "Fidelity Bonds," George Bortz, Detroit, resident vice-president Fidelity & Deposit.

The final day's session will be relatively short. "Types of Companies, Insurance Rating, and Functions of Insurance" will be discussed by Mr. Stock and there will be general discussion and a luncheon.

oil do not require special lightning protection if they have steel roofs, are gas tight, have effective protection of any openings, and are otherwise in accordance with N. F. P. A. standards for tank construction. Where lightning protection is needed the code specifies either type or protection by masts and overhead ground wires.

The committee now recognizes use of aluminum lightning rods in addition to copper and galvanized steel.

Fleming Tells Results

T. Alfred Fleming, National Board, chairman committee of fire prevention and clean-up campaign, reports that 1,604 fire prevention week reports were received. Honors for the largest number of reports filed went to Fire Marshals Craig of Illinois, Ahern, Quebec, Scott, Ontario, Lower, Indiana, Ferguson, Kansas, and McCormack, Tennessee.

F. H. Faust, General Electric, chairman committee on air conditioning, will present an amendment for heating panels in the standards for the installation of warm air heating conditioning systems applying to residences, suggesting that heating panels, a new development in house heating, are to be enclosed on all sides with non-combustible material.

Warns Against State-by-State PL15 Approach

H. E. Moore Urges Withholding Judgment Until National Proposal Unveiled

Public law 15 has given Congress potential power to regulate virtually every phase of insurance should the states fail to come forth with an acceptable program, Harry E. Moore, president of the National Association of Insurance Brokers told the luncheon gathering of Chicago Insurance Day.

Taking as his topic, "Cooperation—Or Else," Mr. Moore said that his was a "valedictory" address and that because he was soon to retire as president he felt he could talk quite frankly.

"There are two ways that federal law can become a reality," he declared. "One is to allow selfish interest to forestall state regulations, and the other is to enact regulations so stringent that business will be economically stifled and will seek federal control in self protection."

Warning that government control of business has been the "starting point" of every dictator Mr. Moore urged that no unilateral action be taken to establish state all industry committees for consideration of public law 15. His advice was to let the all industry committee finish its work first before judgment of any part of its program be given, and he especially stressed the importance of letting the insurance commissioners and National Association of Insurance Agents have "first crack" at devising the best possible state legislation before any other type of action be taken.

He said that the industry cannot hope for success after Jan. 1, 1948 unless there is good administration of state regulations, and that the business would fare better with a good administrator and poor laws than were that situation reversed.

"Our objective is good administration and good laws," he said.

Lack of cooperation, both in and outside the industry, and poor regulation will invite the "creeping paralysis" of bureaucratic control, Mr. Moore warned.

"We are faced with a situation that can be made the Magna Carta of insurance—or the 'Munich' of free enterprise in this country."

Illinois Pond to Elect June 25

The Illinois Blue Goose will hold its annual meeting and election June 25 at St. Andrews Club, near West Chicago.

Paul Bowers, manager at Joliet for Western Adjustment is slated for most loyal gander, advancing from supervisor. New supervisor will be Harry J. Konklin, Firemen's. He is now custodian and will be succeeded there by E. H. Miller. North British & Mercantile, guardian. New guardian will be Ward Beauchamp, Home.

J. Lewis Cassell, London Assurance, is retiring most loyal gander and chairman of the nominating committee.

A feature of the meeting will be a golf match.

Pa. Group Plans June 19 Outing

There will be no May meeting of the Anthracite Field Club of Pennsylvania because of the Memorial Day holiday, but the club is going ahead with plans for its annual outing at the Irem Temple Country Club, Dallas, Pa., June 19.

New Sales Ideas Offered in Chicago Insurance Day Panel

CHICAGO — Considerable interest was displayed by Chicago insurance men in the sales opportunity panel of Chicago insurance day when some red hot sales tips were offered by three prominent local insurance men.



U. M. Leili

James C. O'Connor, editor and manager, Fire, Casualty & Surety Bulletins, moderator, introduced R. K. Hill, secretary, Springfield Fire & Marine, who discussed business interruption insurance; W. J. Jeffery, resident secretary, U. S. F. & G., spoke on casualty insurance; Urban M. Leili, secretary Phoenix of Connecticut, who covered the inland marine field. Mr. O'Connor emphasized that there is unlimited opportunity in sales angles for all lines due to today's present conditions.

Business Interruption Rich Field

"Business interruption insurance takes the place of dollars" asserted Mr. Hill. He pointed out that business interruption insurance—formerly referred to as "use and occupancy"—is practically an untapped field, but is a very lucrative one which should not be overlooked by the insurance producers. In emphasizing the fact that this field has not been oversold he quoted statistics from the National Association of Credit Men, stating that of 5,000 firms checked, only 12 to 15% carry business interruption insurance. 96% of these firms stated they placed their insurance through local agents connected with stock companies and that 88% carried their property damage insurance in stock companies placed by their local agents.

To prove that business interruption insurance is a highly profitable line he cited the experience of a small, "one man" agency which developed \$20,000 in business interruption premiums in 60 days. This agent resides in a town with a population of 55,000.

Due to the fact that Chicago is made up of many neighborhood business communities where each individual owner of a store is interested in this type of insurance, it would be unwise for local producers to overlook them because of the mistaken impression that the only prospects for business interruption insurance are huge organizations such as General Motors, U. S. Steel, Montgomery Ward, and other similar organizations, declared Mr. Hill.

Helps Credit Standing

To substantiate this statement, Mr. Hill indicated that his company has business interruption insurance written for an auto filling station, and a shoe shine parlor. Another unusual risk was that of an Iowa farmer who carried business interruption on 600 imported English laying hens. Due to war conditions, said Mr. Hill, they were destroyed in a fire and could not be replaced so there was a substantial business interruption claim.

To show the trend in this line he stated that business interruption insurance exceeds property damage losses in the midwest by one-third in the claims presented to his company. Referring to a recent Dun & Bradstreet report, Mr. Hill said that 74% of the business establishments which suffered a fire loss, sustained partial or total impairment of their credit standing.

This indicated a definite need for business interruption insurance, he maintained, and refuted the statement that the sale of this coverage was "selling a lawsuit." Mr. Hill showed that from

1941 to 1945 inclusive one adjusting organization adjusted 1,223 claims under the business interruption form "for an aggregate amount in excess of \$10,600,000 without a single lawsuit."

The gross earnings form G is far less complicated than the household form, he declared, and there were one-fourth as many words in form G as in the household form, consequently, required less explanation. To handle the gross earnings forms, Mr. Hill suggested that agents memorize the worksheet and not trouble the client with a large number of papers. The best thing to do is to determine the anticipated volume of sales and the cost of merchandise. The difference between these two figures would be the amount on which to base the insurance policy in most cases. In some instances it might be necessary to obtain additional information on commissions, cash discounts earned, and rent received from leased departments, declared Mr. Hill. It would be far more advantageous to the producer if he would sell to commercial risks rather than homeowners since businesses maintain records in contrast to the household who seldom have accurate records of their property.

Mr. Hill advised the use of the agreed amount endorsement or the full amount clause in selling the business interruption clause and added that his listeners' time would be wasted if each one did not solicit at least three good prospects with a good sales presentation. He maintained they should receive at least two orders for every three policies solicited.

JEFFERY'S SIX POINTS

Mr. Jeffery said there are six points to remember for successful sales work developed by Richard Borden and Alvin Busse, which points are applicable to the sale of insurance. (1) Decide on the issue you wish to discuss and do not leave it. (2) The first half of a discussion, inquire—do not sell. Urge the prospect to talk about his insurance and his insurance problems, hazards of his business and get a true background from the buyer in relation to what you are selling. (3) Do not do all the talking. The man across the desk wants to do some talking about the things you have covered and if you do not give him the opportunity to express it, your sale is lost. If he builds up several unexpressed ideas he is concentrating on two things and neither are what you are saying. A sale is half made when the prospect begins to talk freely about insurance. An objection voiced by the prospect is always less dangerous than one he has to keep to himself. (4) Do not interrupt the prospect. Interruption causes irritation. You may prove the buyer wrong, but you won't sell any insurance. (5) When you can, say in your own words, clearly, the chief objection the buyer has raised because he will never believe that you understand his objection until you repeat it to him. (6) Avoid an argumentative attitude. Be earnest and convincing without being belligerent even though on occasion it may result in evasion on your part. Occasionally side-stepping the issue will lose the sale, but nine times out of ten if you do directly contradict, you will lose the sale.

Value of Surveys

Mr. Jeffery emphasized that surveys are very valuable for both personal and commercial accounts. In the personal life, as it affects the man's home, automobile, sport, and if he is a professional man, his office. Mr. Jeffery declared there are at least 57 varieties of insurance and if each were sold would probably cause the policyholder "to be buried under a flood of paper." Maintaining that these 57 varieties of con-

(CONTINUED ON PAGE 10)

Chicago Insurance Day Makes Hit on Every Count

Outstanding Crowd Cheer Speakers, Diemand Urges Multiple Underwriting

The first Chicago Insurance Day, sponsored by the Chicago Insurance Agents Association, was a brilliant success, the crowd exceeding the expectations of everyone both in size and in attention. The enthusiastic reception to the program, which was climaxed by a challenging address of John A. Diemand, Philadelphia, president North America group, at the dinner, makes it almost certain the event will become annual.

The first surprise, and an infallible sign that the meeting had "rung the bell," came when the Red Lacquer room of the Palmer House was jammed to capacity at 10:30 A. M., for the opening event, a forum on sales opportunities. The crowd not only came, but stuck, listened intently and took part in a question period which had to be ended only because of the requirements of the schedule.

Ran Off Smoothly

The same interest was maintained through the luncheon and the afternoon program, which featured, in addition to two addresses, a forum on the hottest insurance subject today—valuations. The only unfortunate hitch in the program was not that of the committee of the participants. Due to a mixup on the part of the hotel, there was a long delay in serving luncheon, which threw the crowded schedule behind, despite the fact that every speaker observed his time limit scrupulously and the chairman keep things going properly.

E. L. Lederer, chairman Chicago Insurance Agents Association presided at the first session. W. J. Laadt, vice-chairman of the organization and program chairman for the day, at the luncheon, and Wade Fetter, Jr. in the afternoon. Allan I. Wolff, past president National Association of Insurance Agents, was the toastmaster at the dinner, which packed 1,000 people into the grand ball room.

In addition to the speakers and the chairmen, Mr. Wolff introduced Merle Read, Joliet, president Illinois Association of Insurance Agents, D. K. Weiser, Chicago manager Aetna Casualty, president Insurance Federation of Illinois, L. P. Warren, vice-president Chicago Board of Underwriters, who substituted for President John A. Naghten, who was ill, G. A. Seaverns, Jr., president Insurance Brokers Association of Illinois, Lyman Drake, Jr., secretary, and R. T. Magner, treasurer Chicago Insurance Agents Association. Mrs. Lillian L. Herring, assistant secretary of the organization, took a bow from the floor.

DIEMAND'S TALK

Mr. Diemand startled his audience with the statement that Paul vs. Virginia had saddled the insurance business with rigid regulations and that the S. E. U. A. case and Public Law 15 gave it a chance to foster initiation and enterprise.

He declared that it is up to the producers to see that state regulation do not run counter to this philosophy. He

(CONTINUED ON PAGE 15)

THE
PHOENIX-CONNECTICUT
GROUP
of
Fire Insurance Companies



The Phoenix
Insurance Company, Hartford, Conn.
1854

The Connecticut
Fire Insurance Company, Hartford, Conn.
1850

FOURTABLE
Fire & Marine Insurance Company
Providence, R.I.
1859

ATLANTIC FIRE INSURANCE CO.
Raleigh, North Carolina

THE CENTRAL STATES FIRE INS. CO.
Wichita, Kansas

GREAT EASTERN FIRE INSURANCE CO.
White Plains, N. Y.

MINNEAPOLIS F. & M. INSURANCE CO.
Minneapolis, Minn.

RELIANCE INS. CO. OF CANADA
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Insurance Exchange

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220 Montgomery Street

MONTREAL
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All Forms of Fire and
Property Insurance including
Ocean and Inland Marine
Country-wide Brokerage Service

TIME TRIED & FIRE TESTED

Four Days of Work, 1 Day of Sightseeing for N. A. I. C.

The program has been completed for the four days of business and one day of sightseeing that will constitute the annual convention of the National Association of Insurance Commissioners at the Multnomah hotel, Portland, Ore., June 9-13. The timetable is shown herewith except for the meetings of committees that are exclusively of interest to life insurance:

Sunday, June 9

2:30 p. m.—Executive committee, Junior Ballroom, Thompson, Oregon, chairman. Agenda: Final convention arrangements, report of blanks committee, assignments to committees on any special subjects requested.

5 p. m.—President's reception, Assembly room, honoring McCormack, Tennessee, president. Cocktails, hors d'oeuvres, courtesy Special Agents Association of Pacific Northwest, Oregon division.

Monday Morning, June 10

9—Casualty and surety sub-committee, Colonial room, Gibbs, Texas, chairman.

9—Fire and marine committee, Rose room, Carroll, Rhode Island, chairman.

10—Workmen's compensation sub-committee, Colonial room, Gibbs, chairman.

11—Plenary session, Assembly room, McCormack presiding.

Invocation—The Right Rev. Benjamin D. Dagwell, bishop Episcopal Diocese of Oregon.

Welcome from Commissioner Thompson, Gov. Snell, Mayor Riley.

Response by Dineen, New York, vice-president N.A.I.C.

Roll call.

President's address.

Report of secretary, Read, Oklahoma.

Monday Afternoon, June 10

2:30—Laws and legislation, Assembly room, Garrison, California, chairman.

Agenda: Unauthorized insurance, model reciprocal statute, reconsideration of federal Hobbs bill; consideration of uniform statute on non-profit hospital service corporations; consideration of proposal for model statute establishing state insurance departments, proposed by McCormack; consideration of proposal for model uniform accounting statute, proposed by Harrington of Massachusetts; consideration of proposal for model producers licensing statute, proposed by Butler of Texas.

2:30—Multiple line sub-committee, Rose room, Harrington chairman.

4:30—Accident and health committee, Colonial room, Parkinson, Illinois, chairman.

Agenda: Report of sub-committee on changes in official guide; report on revision of standard provisions laws; definition of wholesale or franchise insurance; house confinement clauses; uniform insuring and benefit provisions.

4:30—Real estate committee, Rose room, Gregg L. Neel, Pennsylvania, chairman.

6—Cocktails, Arabian room, buffet dinner, informal dancing.

Tuesday Morning, June 11

9—Blanks committee, Colonial room, Walter A. Robinson, Ohio, chairman.

9—Fire and marine committee, Rose room, Carroll, Rhode Island, chairman.

10—Valuation of securities committee, Junior Ball room, Dineen chairman.

Agenda: 1946 book of valuations; eligibility of securities of the International bank for investment by insurance companies, explanations by American executive director of bank.

11—Plenary session, reports of committees.

Tuesday Afternoon, June 11

2:30—Examinations committee, Colonial room, Read, chairman. Agenda: Report of sub-committee of examiners.

2:30—Joint meeting rates and rating organizations committee and federal legislation committee, Assembly room, Harrington chairman. Agenda: Consideration of alternative approach to the rating problem; Consideration of reports of the all industry committee on federal trade commission, Robinson-Patman and Clayton acts.

5—Executive committee, Junior Ball room, Thompson, chairman.

7:30—Baseball, San Francisco vs. Portland.

8—Dog races, Multnomah Civic Stadium.

9—Ceremonial, Pamunkey Tribe of Real Indians, assembly room.

Wednesday Morning, June 12

9—Taxation committee, Rose room, Holmes, Montana, chairman.

9—Casualty and surety committee, Colonial room, Bowles, Virginia, chairman.

10—Workmen's compensation committee, Junior Ball room, Hodges, North Carolina, chairman. Agenda: Workmen's compensation actuaries committee report; compensation sub-committee report.

11—Group hospitalization and medical service committee, Rose room, Neel, chairman.

11—Social security committee, Colonial room, Charles R. Fischer, Iowa, chairman.

Wednesday Afternoon, June 12

2:30—Plenary session, reports of committees.

6—Cocktail party, Assembly room, courtesy Pacific Board.

7:30—Banquet, dress informal, guest speaker Frank Branch Riley, "ambassador of the Pacific Northwest to the World," on "The Last West, the End of the White Man's Trail."

Thursday, June 13

8-9 a. m.—Depart from Multnomah hotel for automobile tour of Columbia River Highway with stops at Crown Point (Vista House); Waukeena Falls, Multnomah Falls, Horsetail Falls.

11:30-1:30—Buffet luncheon at Columbia Gorge Hotel, Hood River, return trip to include tour of inspection of Bonneville Dam and fish ladders.

On Monday for the ladies there will be a tour of Portland's west side beginning at 10 a. m. to include Washington Park and Rose test gardens, Portland Heights, Portland Art Museum, lunch at Berg's Chalet.

On Wednesday there will be commencing at 10 a. m. a ladies' tour of east side to include Sanctuary of Our Sorrowful Mother, Lambert Gardens, residential districts, and smorgasbord luncheon.

C. M. Purmort, Jr., Returns to Central Manufacturers

VAN WERT, O.—Lt. C. M. Purmort, Jr., has returned to Central Manufacturers Mutual after five years in the army and has been assigned to the inland marine field. He will have charge of Ohio, Indiana and Michigan for these lines, making his headquarters at home office here.

Before entering the army, Mr. Purmort was special agent for Ohio Underwriters Mutual, former running mate of Central Manufacturers, which had been absorbed into the parent company. He received the purple heart for a wound in Normandy. His father, C. M. Purmort, retired as president of Central Manufacturers a few years ago.

Cleveland Board Holds 100th Annual Meeting

CLEVELAND—The 100th annual meeting of the Insurance Board of Cleveland was held Monday noon. The board, which is the oldest trade organization in the city, is celebrating its centennial a little later in the year with a series of events culminating in a banquet next fall.

Henry Frankel and W. H. Levering were reelected trustees and C. M. Johnson is a new trustee. At a later meeting of the trustees John L. Meyer was reelected president and Geo. W. Hypers vice-president. S. J. Horton was reelected executive secretary for the 27th time.

To call attention to the 100th anniversary June 22 a committee headed by E. S. Davis has been working on a program of events including window displays in eight downtown locations, newspaper publicity, radio announcements, a brochure, to wind up with a banquet.

Mr. Meyer, in his report, said substitution of the N.A.I.A. educational course for the Insurance Institute lecture was a wise change.

In addition to the regular courses of fire, casualty, surety and inland marine, the board conducted a 10-week course for training junior clerks in office practice, rating and policy writing. This was so popular that it was found necessary to repeat it and another 10-week session is in progress.

Mr. Meyer voiced the belief that the trend toward multiple line writing is a logical step in that it introduces some economies which is important when so much attention is being focused on the expense element.

Closer Contact with Washington Needed, West Says

Oscar H. West, Washington representative of the National Association of Insurance Agents, said at Chicago Insurance Day that public law 15 would not be on the statute books today had not a combined insurance front been on the spot to represent the industry. The clear implication was that such representation saved the industry from legislation of severe and drastic type.

The speaker, who said that he prefers to think of himself as an "emissary" of the business in the nation's capital, said the industry today is squarely in the path of the "Washington whirlpool"—one of confusion and chaotic legislation.

He pointed to the need for understanding of the industry on the part of national legislators, and urged more "back home" contact with Congressmen.

"We're already in politics. We in the industry must develop sleepless attention to what is happening. The industry is in jeopardy otherwise," he said.

Take More Interest in Government

The future of insurance, Mr. West said, depends on the prosperity of property owners and the way in which the industry conducts itself. He suggested, toward this end, that efforts be made to bring about greater cooperation between Washington and the individual brokers, that deeper and more personal interest in the national government be taken by insurance men and that there be better relations within the industry itself.

There is a great need to preserve economic freedom through greater citizenship responsibility. Honest diagnosis of problems of the insurance business is a prime need. The most cherished assets of the industry are public respect and public confidence. And he further urged that the business conduct itself as though it were in a "fishbowl" and everyone could view its operations. "Keep the glass clean," he admonished.

In summing up, Mr. West said that "it ill behooves us, as insurance men, to sell ourselves short. There is a great need for men of large vision in the industry. And if the present trend toward bureaucratic control continues American business is done for. No greater service could be rendered by insurance than to help awaken the people to what is happening."

One More Chance for Big Decisions

WASHINGTON—The U. S. Supreme Court has given itself another chance to announce decisions in the insurance cases on which it heard arguments many weeks ago. The court announced extension of its present term from May 27 to June 3, when, the announcement said, it would adjourn "unless otherwise ordered." Decisions remain unannounced in over 20 cases, including Robertson vs. California and Prudential vs. Benjamin, involving questions of possible infringement by state laws upon interstate commerce, with relation to insurance.

The court denied writ of certiorari in Nos. 1199, Century Indemnity vs. Arnold, and 1125, Frier vs. Federal Insurance Corporation.

Mrs. Roy B. Nienhauser, St. Paul, organizer and founder of the St. Paul Association of Insurance Women will be the installing officer at its final meeting of the year, June 6. Officers to be installed are: Lucille Arthur, president; Gertrude Warming, vice-president; Dorothy Carlson and Eunice Sutmar, secretaries, and Dorothy Magnuson, treasurer. Elsie Burns and Lucille Arthur will be delegates to the national convention at Atlanta.

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FINANCIAL STATEMENTS DECEMBER 31, 1945

VALUATIONS ON BASIS APPROVED BY NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

Companies	Capital	Total Admitted Assets	Liabilities (except capital)	Surplus to Policyholders
Firemen's Insurance Company of Newark, N. J. <small>Organized 1855</small>	\$9,397,690.	\$54,848,473.	\$31,764,718.	\$23,083,755.
The Girard Fire & Marine Insurance Company <small>Organized 1853</small>	1,000,000.	6,412,691.	3,691,439.	2,721,252.
National-Ben Franklin Fire Insurance Company <small>Organized 1866</small>	1,000,000.	5,891,844.	3,233,665.	2,658,179.
The Concordia Fire Insurance Co. of Milwaukee <small>Organized 1870</small>	1,000,000.	5,981,590.	3,232,950.	2,748,640.
Milwaukee Mechanics' Insurance Company <small>Organized 1852</small>	2,000,000.	15,712,261.	8,759,027.	6,953,234.
The Metropolitan Casualty Insurance Co. of N. Y. <small>Organized 1874</small>	1,500,000.	16,207,622.	11,082,112.	5,125,510.
Commercial Casualty Insurance Company <small>Organized 1909</small>	1,000,000.	16,497,745.	10,952,765.	5,544,980.
Royal Plate Glass and General Ins. Co. of Canada <small>Organized 1906</small>	100,000.	357,392.	1,384.	356,008.

Pittsburgh Underwriters - Keystone Underwriters

PACIFIC DEPARTMENT
220 Bush Street
San Francisco 6, Calif.

SOUTHWESTERN DEPARTMENT
912 Commerce Street
Dallas 2, Texas

HOME OFFICE
10 Park Place
Newark 1, New Jersey

CANADIAN DEPARTMENTS
465 Bay St., Toronto, Ontario
535 Homer St., Vancouver, B. C.

WESTERN DEPARTMENT
120 So. LaSalle Street
Chicago 3, Illinois

FOREIGN DEPARTMENT
111 John Street
New York 7, New York

S.E.U.A. Holds Annual Parley; Reelect Whitner

Representation at the annual meeting of the Southeastern Underwriters Association at Virginia Beach was especially good regardless of the transportation difficulties occasioned by the pending railroad strike. Most of the member companies were represented.

At the executive committee meeting keen interest was demonstrated in the public relations program which was thoroughly and constructively discussed. Also presented at the time were two resolutions from the Southeastern Agents Conference with reference to the farm youth program and the appointment of a farm committee to collaborate with rural agents committee. After the executive committee meeting

the public relations committee met to consider details of the program.

The officers were reelected, Caspar S. Whitner, Hartford Fire, being president; Esmond Ewing, Travelers Fire, vice-president, and Lloyd T. Wheeler, manager-secretary.

Memorial resolutions were adopted for Frank E. Burke, Charles C. Hannah and A. R. Phillips.

Committee Setup Revitalized

Mr. Whitner, in his presidential address, recalled that the committee setup has been revitalized and made more efficient.

The setting up of advisory committees in each state has proved worthwhile. The chairman in each state is an officer of management rank and the bureau manager is always a member along with field men and general agents. These committees are doing much to promote practical uniformity throughout the territory.

Under the new legislation it will not

be compulsory for any insurer to become a member of a rating bureau or of a trade organization. This is well, he said, because policies laid down by compulsion cannot be lasting. The organizations must endeavor to make their services so constructive that every company will desire to be a member.

Mr. Whitner emphasized the importance of avoiding differences as between the states. Insurance, he declared, transcends state boundaries and is interstate in fact as well as through court decision. The trend toward recognizing this antedated by far the Supreme Court decision. However, not much progress had been made because of the state laws that insurance was a local business. Insurance leaders had already recognized that these restraints were inimical to the public interest and that the walls that some of the states had built around themselves had to be bridged.

Examples Are Given

For instance, the 1943 standard fire insurance policy was recognition of the interstate character of insurance and the development of many forms intended to produce nationwide uniformity; abrogation of many restrictive rules of local practice; inter-regional collaboration of technical and engineering staffs.

The Supreme Court decision has been erroneously regarded by many as a smear on insurance. The enactment of public law 15 was an endorsement of the valuable contribution insurance makes to the economic welfare. The combined effects of these two happenings have helped to banish isolationism.

"We are now encouraged, within the framework of state and federal law," he said, "to move forward to enable our business to play an ever greater and more helpful part in the continuing processes of building our nation."

The individual rating and inspection bureaus have improved their methods. The engineering staff, with the return of experienced men from military service, is operating efficiently.

Ask Subtraction of Interest Factor in New Term Plan from Premium Reports

LITTLE ROCK—Filing of the five-year installment premium plan by North America in Arkansas and its approval by Commissioner McKenzie brought forth a resolution from the Arkansas Fieldmen's Club last week asking that each company making such a filing "show clearly . . . that portion of the charge which represents interest or carrying charges, and that such companies in their reports to the insurance department eliminate in premiums reported any interest or carrying charges."

Fight Fictitious Profit

Under Arkansas statutes, stock fire companies are permitted underwriting profit of not exceeding 5% based on the experience of the preceding five-year period, and the commissioner (following his annual underwriting examination) is empowered to order reductions in rates so that the underwriting profit does not exceed 5%. The club is interested in seeing that the 3% charges for deferring payments in these installment plans do not become a part of the "total premiums" which companies, using installment plans, report, thus showing a "fictitious underwriting profit" and substantially reducing or even eliminating underwriting profits.

Hail on Crops Having Good Year

Despite extremely high losses on hail and wind in Texas, farm hail insurers are having thus far a fairly good year. The recent Texas storms, which have run well over an insurance loss of \$10 million, have been mostly on buildings with only a few insured farm affected. Not much farming is done in southern Texas around San Antonio, the major portion of it being somewhat further north in the river areas.

Should losses continue at their present rate, hail insurers should have a good year.

Trucker's Coverage Is Not Enough, Buyers Are Told

NEW YORK—Current motor cargo problems were discussed at the Risk Research Institute meeting by John Rogers, Jr., inland marine underwriter of Chubb & Son; Jack Seide, president of Babaco Alarm Systems, and A. G. McKeever, president of the Motor Carriers Association of New York and of the Ajax trucking company.

Mr. Rogers said that some shippers feel that they don't need to carry insurance on the ground that the truckman's insurance covers them. However, this is required only to the extent of \$1,000 per truck and goods of several shippers may be on a single truck. At any rate \$1,000 is probably far too low for almost every cargo except sand and gravel. Also, truckmen have many different types of bills of lading and it may limit liability to far below the shipment's value. There is a greater use of release bills of lading and while these are supposed to be approved by the interstate commerce commission or state governing bodies truckmen sometimes use these limited forms when they have merely filed them. It might take a tough legal fight to determine whether the release was valid or not.

Coverage May Have Been Cancelled

Another danger is that the truckman's insurance may have been cancelled without the shipper's knowing anything about it. This has happened.

The increased values of cargoes has greatly increased the danger that a shipment will exceed the truck line's liability under the I.C.C. endorsement.

Mr. Rogers strongly endorsed the Babaco truck alarm and the American safety tank, which lessens the danger of fire after collision or overturn. He said he owned no stock in either company and would gladly recommend any other meritorious devices if anyone would tell him about them.

Emphasizing that the job of the insurer is not merely to collect premiums and pay losses but to help the movement of merchandise, Mr. Rogers said the insurers would much rather have lower premiums and less losses than high premiums and high losses.

Mr. Seide demonstrated his alarm system very effectively with a miniature truck on which the alarm system operated as it would on a full sized vehicle. He showed the various hook-ups that are available for different purposes.

Mr. McKeever discussed several truck thefts, in one of which he had helped track down the thieves.

The Blue Goose auxiliary of the Sunflower puddle at its final bridge-luncheon of the year named Mrs. P. M. Carmack president; Mrs. W. W. Rowse, vice-president, and Mrs. W. E. Stewart, secretary-treasurer. Mrs. C. C. Crow is retiring president.

BRANCH MANAGER

Here is a man who has had training with a large stock company and for the last five years has been State Agent for a large casualty company. He has a lot of ability and good references.

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Insurance Personnel Exclusively
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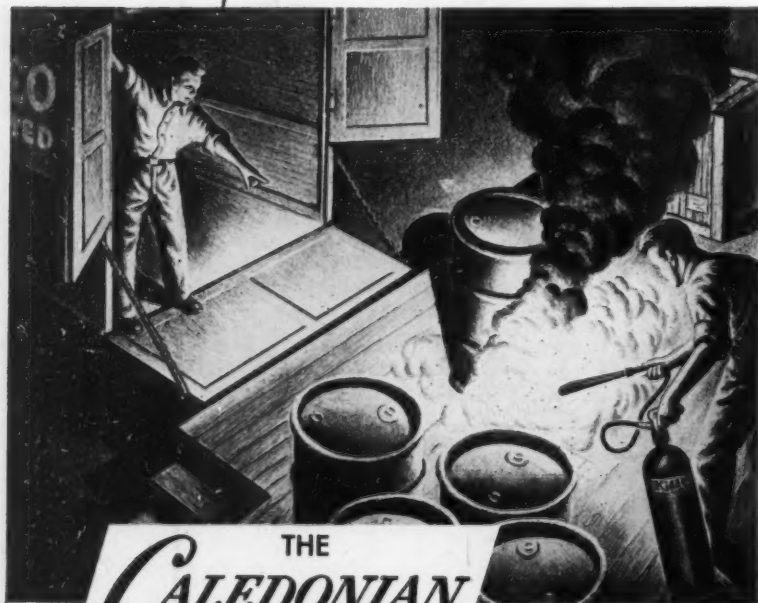


The early fire extinguisher limited in effectiveness but an important step in fire protection.

EFFECTIVE PROTECTION

The constant improvement and development of individual fire fighting equipment, giving present day homes and industrial plants effective protection, has also gone into the development and broadening of the modern fire insurance policy.

Our agents take pride in the up-to-the-minute protection of the Caledonian—dependable for more than a century.



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Chicago Day Gets Valuation Summary

Three panel speakers discussing current values told the Chicago Insurance Day afternoon session the precise extent of the rise in valuation in three types of property and how the insurance agent or broker can gain much new business and at the same time add greatly to the protection of his insured.

The first speaker was Benjamin F. Bills, president of Bills Realty Inc., Chicago. Discussing dwelling property, Mr. Bills said that those in his audience would "hail him as blessed" if he were to show them a way in which they could increase their business 40% this year. This he attempted to do by saying that the coinsurance clause in their fire policies offer such an opportunity.

He said statistics show that insurable and replacement values today are twice what they were in 1926, and that there are 3 million too few homes, according to careful estimates, and 10 million too few homes according to other sources. These homes, he said, would sell for no less than \$15,000. The Chicago real estate man said that 92%, according to a survey, expect this situation to be in existence for three to five years.

He said there has been a 43% increase in building costs during the period 1940 to 1946 and that all indications point to an increase during the remainder of this year of another 10 or 15% in building costs. Added to this is the fact that the nation is approximately 300,000 short in labor.

Mr. Bills predicted that Federal Housing Administrator Wilson Wyatt will not get one-half of the 1,200,000 houses for veterans which he expects to build during 1946. And he said that even if the houses were built there would be only a few veterans who could pay for them. It would take a salary of at least \$330 a month. Such buying power is not to be expected among veterans, at this point, he said.

In closing Mr. Bills urged his audience to review the coinsurance clause in their assureds' policies.

Beatty Discusses Values

Robert M. Beatty, Western Adjustment, Chicago, discussed mercantile and industrial property. He gave the formula of current values as: selling price equals cost plus 20%.

As an example of the rise in values, he said that a house which cost \$16,500 in 1940 would cost between \$22,000 to \$30,000.

He said that the cost of frame houses has risen more sharply than that of brick or steel structures and in general, costs since 1941 have increased 125%. Mr. Beatty said that these statistics are based on his experience in the Chicago area. They reflect the following increases:

Residence buildings, 83%; apartments, hotels, and office buildings (brick, wood, and concrete), 81%; apartments, hotels, and office buildings (brick and steel), 74%; commercial and factory buildings (brick, frame, and concrete), 83%; and commercial and factory buildings (steel), 76%.

Explaining some of the factors which have caused this valuation increase Mr. Beatty said that labor today is only 65% as efficient as it was before the war. Construction material costs themselves have soared to as high as 150% of their prewar values. The fact that many construction materials are not available anywhere except in the black market has further added to the price increase. Contractors often meet this situation by purchasing odd type material and having it cut or modified to the proper size, albeit at another additional cost.

In addition to pointing out the rise in valuation which insurance men can use to good advantage both for their assured and for themselves, Mr. Beatty

gave this advice: "Don't be too timid in telling policyholders the truth about their valuation rises." He said that only in this way can insurance producers do a good job.

The third speaker in the afternoon panel was Robert Koch, of Marshall Field, who discussed household and personal property.

As an example of valuation rise in this type of commodity, he said that average sales statistics show at least a 35% increase over 1939.

"No one can estimate the exact cost of any commodity in today's market," he said.

\$484,274,000 Fire Loss in 1945 Is 15-Year High

Annual fire losses in the United States increased to the highest level in 15 years during 1945, reaching \$484,274,000, the committee on statistics and origin of fires of the National Board reported at the annual meeting.

This figure is 6% greater than the National Board's preliminary estimate of \$455,329,000, based on reports of incurred losses of member companies, and confirms the upward trend indicated by

that compilation. It also represents an increase of 10.7% over 1944.

Incendiary fires appear to be on the increase, chiefly due to fires set by irresponsible persons, according to the report of the board's committee on incendiary and arson. Fires for profit, however, have decreased. During the war, not a single case of fire by enemy-directed sabotage came to the National Board's attention, the committee stated.

Hundreds of A. & H. sales ideas in *The A. & H. Bulletin*. Write *The A. & H. Bulletin*, 420 E. 4th St., Cincinnati 2, Ohio.

When New Values Go In...



...More Insurance Comes Out

Nine out of ten of America's institutional buildings such as colleges, hotels, hospitals and schools have already started, or in the next few months will start to add new values to those buildings.

Because of the increase in construction costs such buildings are worth much more as they stand, without improvement, than they were before the war. With the almost universal intention to improve those buildings by remodeling, re-equipping, expanding, and refurbishing, in a very great percentage of cases these institutions will need nearly twice as much property insurance as they had in 1941.

There are few classes of property owners who should be as conscious of the need for complete liability insurance protection, because so many people use these buildings.

This month the Security Insurance Companies are suggesting that their agents concentrate on offering their services to institutional risks. A letter is suggested to be sent to institution officials, a complete plan is offered, and two check-lists are provided. One lists nearly fifty different types of organizations, all of whom would make profitable, valuable clients, and the other lists over sixty different types of insurance all of which are applicable to

some of the institutional risks. This latter list can be used in checking over policies to be sure needed kinds are in force.

This group of sound New England insurance companies, offering practically all forms of property insurance, continually provides new-business ideas for its select group of agents, not only from its offices but through well-informed, up-to-date fieldmen throughout the country.



Security Insurance Companies

SECURITY INSURANCE COMPANY OF NEW HAVEN
THE EAST & WEST INSURANCE COMPANY OF NEW HAVEN
NEW HAVEN UNDERWRITERS
THE CONNECTICUT INDEMNITY COMPANY

1841 — SECURITY, THE NATION'S WATCHWORD — 1946



2.67% Deal Is Being Pushed

At least three important banking institutions are now, in extensive territories, offering to finance premiums for three and five-year term fire policies on a basis to yield the lender but 2.67%.

The plan was initiated by the Pennsylvania Company and was at first confined to the home territory. However, Pennsylvania Company later began offering these terms outside the state.

Then just recently Barnett National Bank of Jacksonville brought out the same plan for use in 11 southern states. Just the other day Union National Bank of Little Rock made identical terms in

Arkansas and this week agents and brokers in a number of other states received literature from Union National Bank.

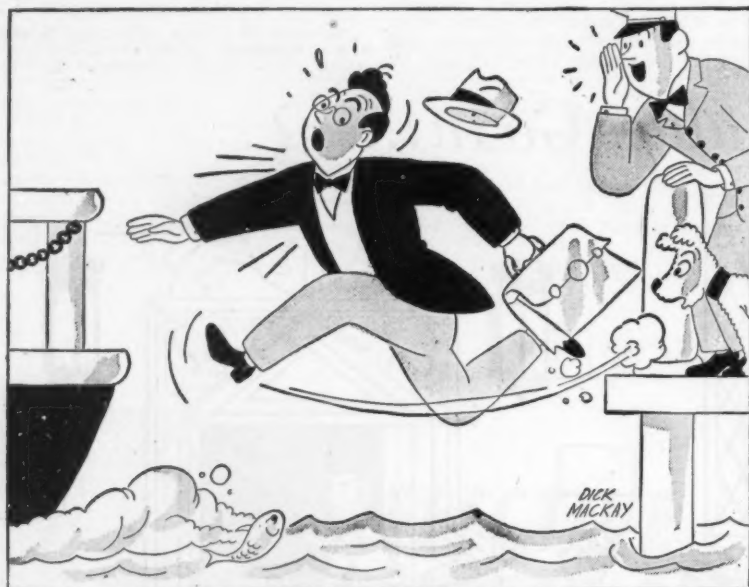
Under the plan of these three institutions, in connection with three year policies, one full annual premium is collected as a down payment and 78% of the annual premium is paid each year for the next two years. In connection with five year policies there is one full annual premium as a down payment and 86% each year for the next four years.

These arrangements produce an identical return of 2.67%.

There is a minimum charge of 60c per installment.

First Bank Credit Corp., which has been the leading premium finance institution of the country, has not changed its financing terms in any way.

The 2.67% deal, of course, is prompted by the North America's term plan which in some states provides for 78% payments after the first year and in other states provides for 80%. When the transaction is handled by a bank, the agent or broker is relieved of responsibility for making the collection of annual installments, and this is stressed in presenting the matter to agents.



BROTHER, YOU'VE MISSED THE BOAT

If you don't know about the Phoenix-London's helping-hand program for agents! In case you need a new insurance connection, waste no more time shopping around for a "Good Company"... here it is. With all the qualities you've believed a Good Company should have.

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Brief Kentuckians on New Laws

LOUISVILLE—About 250 attended the one day legislative session of the Kentucky Association of Insurance Agents here Monday to hear review of the new insurance laws. The stringent auto responsibility act was discussed by O. M. Howard, commissioner of revenue. It becomes effective Jan. 1, and an educational campaign is projected.

J. Bryant Lawton of Central City, Ky., opened the meeting and introduced the legislative committee, headed by A. G. Harrison, Louisville.

Insurance Director Wilson patted the agents on the back for their aid in securing legislation.

E. M. Griggs, National Board Chicago, discussed the new fire rating act and answered questions.

The casualty rating act was discussed by Roy L. Davis, Association of Casualty & Surety Executives, Chicago.

Robert T. Caldwell, Ashland, legislative counsel for the Kentucky agents, spoke on the workmen's compensation acts, of which there are really four, which dovetail more or less.

William E. Clark, Kentucky Inspection Bureau, discussed the new rules and rates of April 22.

Tells Chicago Agents Value of Small Merchant

There is something worse than abandonment of control and that is permanent control itself, Joseph T. Meek, executive secretary of the Illinois Federation of Retail Associations, told the afternoon session of the Chicago Insurance Day. He predicted that this country will be under price control until 1950 unless something is done.

Discussing the topic "Business and Government" from the standpoint of the customer, Mr. Meek said that the small merchant is the "last outpost of free enterprise in America." He said that a large warehouse loaded with stock has no immediate value and that it is only the small merchant who can give such commodities a time and place utility.

Defer Minn. Federation Meeting

MINNEAPOLIS—The annual meeting of the Insurance Federation of Minnesota, usually held in June, has been put off until fall because of inability to get the speaker desired.

Hundreds of A. & H. sales ideas in *The A. & H. Bulletin*. Write The A. & H. Bulletin, 420 E. 4th St., Cincinnati 2, Ohio.

Strike Too Short to Affect Insurance

NEW YORK—The railroad strike did not last enough to create any serious situation for the insurance business. On Friday there was a slight flurry when agents began to call underwriters for coverage on motor truck and airplane cargoes, but it turned out that little if any of the additional protection was needed. The crisis did not last long enough for high priority freight to actually channel into airplane transportation, and not much reached the truck lines.

If the strike had lasted for some time, finished goods might have piled up at factories and called for additional insurance to avoid placing such assured in jeopardy of coinsurance penalties. Perhaps the worst threat was a pile-up of goods at ocean ports. The insurers writing motor truck cargoes did not anticipate any excessive exposures except extra trucks going through big terminals, but even this did not seem to worry them since practically all transportation policies and motor truck cargo contracts have catastrophe limits.

During the past several months there have been numerous inquiries from agents with respect to the sprinkler and watchmen warranties in fire policies on plants where employees have struck and where pickets prevent watchmen from entering the premises. This would have been much worse during the winter when there was danger of water pipes freezing and breaking than it is now, but inquiries are still being received where strikes have shut down total operations. The companies have indicated that they would interpret the coverage under the circumstances with liberality but have not gone on record definitely that abrogation of the warranties would not nullify the coverage.

Reilly Leavenworth President

The Leavenworth (Kan.) Insurance Board has elected Edward F. Reilly president succeeding E. D. Kelly. John G. Baum was named vice-president and Phil Rayburn secretary-treasurer. However, Mr. Rayburn later resigned and a successor is to be named at another meeting soon.

Property Facts Are Basic

The starting point for sound solution of problems of Insurance, Income Taxation, Reconversion, Accounting and Finance is an accurate knowledge and record of Property Facts.

The AMERICAN APPRAISAL Company

VALUATIONS • PROPERTY RECORDS
DEPRECIATION STUDIES

Morasch Is Named Vice-president

Fred H. Morasch, manager of the eastern department of the Fireman's Fund group at Boston, has been elected a vice-president of Fireman's Fund, Home Fire & Marine and Western National. This action was taken by the directors in recognition of his long and able service.



F. H. Morasch

Mr. Morasch, who started in fire insurance in 1919 in New York City, joined the Fireman's Fund organization as a special agent at Newark in 1935. He was transferred to Boston in 1939 as general agent in charge of the eastern department production and in 1940 was made assistant manager. He was advanced to manager in 1944 when James F. Crafts, now president of the companies, gave up supervision of the department.

Scarritt Warns Against Uniform Treatment of Small Airplane Class

NEW YORK—Within the last year or two there has been a tendency to give uniform underwriting treatment to the inexpensive private pleasure plane and the very unsatisfactory experience in this class is largely due to the subordination of sound underwriting principles, according to D. deR M. Scarritt, manager of Associated Aviation Underwriters.

Saying that it is of course easier for an underwriter to obtain volume if he minimizes or ignores well-established principles, he warned that in the long run the easiest way is also likely to be the most expensive way. The aviation insurance business is not ready for uniform treatment, even of the light-plane class and the attempt to average-rate a class inevitably develops selection against the underwriter, Mr. Scarritt believes.

Tells Other Problems

Other problems involve poor hangar maintenance with attendant excessive fire losses and abnormal windstorm losses due to the dearth of hangars and the necessity for mooring planes in the open. Mr. Scarritt emphasized that since the aviation industry is a dynamic and growing one, past experience can at best be but a rough guide; statistics may be entirely misleading and underwriters must evaluate the progress of the art of aviation as measured in technical changes and advances and weigh them against loss possibilities due to higher hull value and capacity of new equipment. Also, in most forms of insurance the class can suffer many losses before exceeding the annual premium for the class, but this is not true in aviation, where a single loss can exceed the total annual class premium.

Home Farm Department Makes Staff Changes

A number of changes are announced in the farm department of Home at Chicago.

Laurence F. Tidrick of the loss department becomes assistant manager. He was a field man for the department in Iowa from 1936 to 1940 when he was transferred to Chicago. He attended Drake University.

John H. Munson, who is state agent of the farm department in Indiana, is being transferred to the Chicago office as executive special agent. He started with the department in 1931, serving in dif-

ferent capacities in the Chicago office before being transferred to Indiana. He spent three years in the service and recently returned from the south Pacific.

T. G. VanDenBrink, state agent of the farm department in northern Indiana and Michigan, with headquarters at Elkhart, is being transferred to Indianapolis as successor to Mr. Munson and will direct the activities of the farm department in Indiana only.

Carroll K. Thornburg, special agent and assistant to Mr. VanDenBrink at Elkhart has been given the Michigan territory with office at 77 Monroe avenue N. W., Grand Rapids.

Iowa Pond to Initiate Six

Six new members will be initiated into the Iowa Blue Goose at the annual meeting June 7 in Des Moines. They are Charles Markle, Cedar Rapids, Western Adjustment; Paul Schminke, Davenport, American; T. D. Bray, Des Moines, Western Adjustment; D. C. Jones, Des Moines, National Fire; R. J. Muggge, Mason City, Hartford, and K. C. Young, Des Moines, North America.

Plan 5-Day Missouri Tour

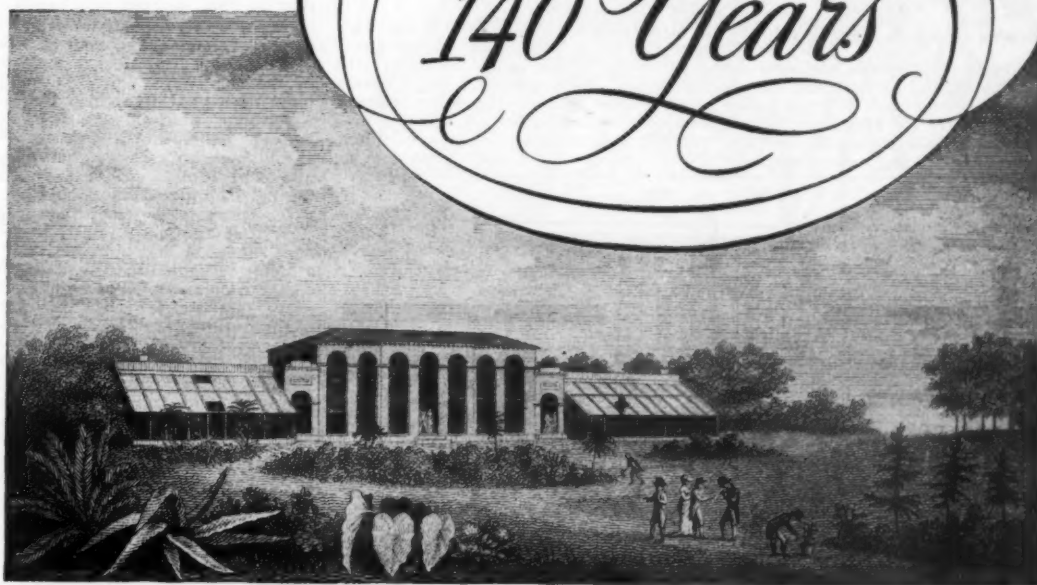
ST. LOUIS—A good will membership promotion tour of the Missouri As-

sociation of Insurance Agents, will be conducted June 24-28. Participants will be Wallace Rodgers, assistant secretary N.A.I.A.; G. F. King, Columbia, president state association; Edmond Boyce, St. Louis, chairman membership committee and B. G. Gregory, manager.

There will be a luncheon meeting June 24 at Cape Girardeau, with W. E. Walker, of that city, in charge.

That evening there will be a dinner meeting at Poplar Bluff. June 25, at noon, in Salem, and evening, in Springfield; June 26, noon, Joplin, evening, St. Joseph; June 27, Kirksville and Hannibal; June 28, Columbia and Jefferson City.

140 Years



SITE OF RADIO CITY, FIFTH AVENUE AND 51ST STREET, NEW YORK, 1806
View of the Botanic Garden in year of the founding of the Eagle Fire Company

The changing years so clearly reflected in American life by the engravings of yesterday also etch their lines on the enterprises of men. The Eagle Fire Company of New York began the business of insurance at 59 Wall Street, New York City in May, 1806. Then and now it is one of America's respected financial corporations, tested by time and by worthy competition.

The history of those 140 years is another

stalwart chapter in the powerful history of a great nation and an honored insurance institution dedicated to public service.

In days that witness coast to coast flights between breakfast and luncheon, there is something more than idle sentiment in the bonds that link institutions to the anchorage of olden days. Old traditions blending into progressive changes add solidarity to financial companies.

EAGLE FIRE
Company of New York
Established 1806

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Oldest New York Insurance Company

New Sales Ideas Offered in Panel

(CONTINUED FROM PAGE 3)

tracts could be boiled down to about five basic forms, he asserted that the insurance man's customer is vulnerable to the agent who will perform this task for him.

Stating that the man who has not had a personal survey will welcome a complete analysis for his coverage, Mr. Jeffery verified his statement by saying that 90% of the people who responded to the Curtis Publishing survey said they relied upon their insurance man to take care of their needs and wanted his advice and counsel.

"The time consumed in making a survey for the personal account is well repaid over the term you will have that customer on your books, because it will result in enlarging his insurance to meet his needs and will actually reduce the number of contracts you will have to handle for him," declared Mr. Jeffery.

Low Income Group A Good Field

"The low income group can now be looked upon as one of the best classes of insurance prospects. A great number of people have for a long time, been anxious to purchase insurance in various forms, but until the redistribution of

income in favor of the wage earner in recent years, they were unable to do so." Mr. Jeffery discussed four casualty lines which offered distinct sales possibilities to this group.

The first was the comprehensive personal liability policy which he claimed provides ideal coverage for the home owner. Declaring "this is the only contract, in my recollection, on which we have had actual inquiries from members of the public who had purchased, or were about to purchase the policy, expressing doubt there was a true quotation made in offering the contract at \$10 for one year or \$25 for three years. One broker used the telephone to call 150 of what he considered his most important customers and these calls resulted in 112 sales, most of which were for a three year basis at \$25," said Mr. Jeffery.

Mr. Jeffery next discussed the burglary policy and personal property floater. Referring again to the Curtis Publishing Co. survey, Mr. Jeffery said: "Only 8% of the home owners carried burglary insurance and only 2% carried floater policies; 90% of home owners carry some fire protection on

their goods. In effect, 90% of the home owners constitute prospects for you in burglary and personal property floater fields."

Mr. Jeffery then discussed products liability insurance. He stated that it is written in so few cases that he believed less than 1% of the market has ever been touched. He said, "when a manufacturer enters the postwar market with his products his sales resistance is less if jobbers and distributors know the product is covered with products liability insurance. Under the present rules those who sell the products may be included on the manufacturers' policy for a slight additional premium charge."

Easy to Sell Fidelity Bonds

"An extreme opportunity for sales is in connection with fidelity bonds," said Mr. Jeffery. The banks which were compelled to close in the past were forced to do so because in over 50% of the cases the capital structure was impaired by dishonest employees and that if this is true for banks, which have "the highest type of personnel, careful bookkeeping methods, facilities of state and federal examiners as well as the services of the FBI, how much more does your local businessman need to protect himself against dishonesty losses! Unpublished dishonesty losses are difficult to estimate but your daily newspapers offer repeated evidences of the need for fidelity coverage."

If agents had been discouraged in their first attempt to sell fidelity insurance, they should not hesitate to attempt it again because there is little competition and a large number of prospects, said Mr. Jeffery. "Not over 15% of the business enterprises that need this coverage carry it. The fidelity business is one of the very simplest to learn. The writing of the three types of fidelity bonds is much simpler to master than the coverages needed for passenger automobiles and trucks. Get your share of this market. The business records show that one-sixth of all the commercial failures are caused by dishonest employees. During the next 15 years, would you like to lose one-sixth of your commercial accounts through the dishonesty hazard risks when you could have protected it through dishonesty insurance?"

LELLI ON PROCESSING

One of the most lively prospects for new commissions in the inland marine field is the "tailor-made marine contract to properly protect the needs of industry" to cover processing of materials away from the manufacturer's premises, said Mr. Lelli.

This contract is a ready seller today because many manufacturing firms are having work done outside of their premises; they did it before the war and many are continuing today for one reason or another, maintained Mr. Lelli. He said there were 133 types of processing that have been approved by the interpretative committee and listed several which included: baking of metal and plastic, dyeing, etc., electroplating, engraving, galvanizing laundrying, lithographing, printing and retouching. Mr. Lelli suggested that the agents contact their marine department for a complete list and then investigate their customers' activities. He maintained that they would find many manufacturers interested in this special coverage.

Liability of Processor

To clarify the purpose of this coverage, Mr. Lelli emphasized that processors are not responsible for loss or damage of property in their possession and only a few processors insure materials in their custody. He said "the processor's liability is that of a bailee and he is liable for negligence, a difficult thing to prove. Furthermore, it is well nigh impossible for the processor to determine the value of his customer's merchandise and his quotations are usually based on the assumption that no extra expense

for insured's protection is involved."

He asserted that the inland marine contract is flexible enough to follow any manufacturer's exposure away from his premises and included coverage for transportation of materials. This policy, declared Mr. Lelli, is written with a limit that will take care of the highest exposure and usually is handled on a monthly or quarterly reporting basis, permitting the owner of the goods to report the total outstanding values without a breakdown as to locations. It protects against: fire, perils of extended coverage, vandalism and malicious mischief, sprinkler leakage and so-called "all risks" while in transit. Mr. Lelli said that the agent should not hesitate to solicit the line, but should first make sure he is acquainted with the client's business operations.

Inland Marine Not a Luxury Line

Inland marine insurance is not a luxury type of indemnity to be sold to a few who possess large amounts of worldly goods, asserted Mr. Lelli. The range of property insured ranges from \$25 neon sign to millions of dollars in transportation risks, from \$100 or less on a coat to thousands of dollars on a mink fur piece. Substantiating this statement, Mr. Lelli said that the inland marine volume in 1921 was \$19,600,000, in 1940 \$63 million, in 1944 \$97,500,000 and in 1945 \$114 million. The increase from 1921 to 1945 is almost 600%, he added.

Declaring it is probably easier to sell a satisfied customer than new acquaintance, Mr. Lelli suggested the producers review every jewelry contract on the books insuring items that have not recently been appraised. There has been considerable appreciation and a 20% federal tax assessed on jewelry. He suggested a jewelry appraisal and the addition of the 20% to prepare a quotation for increasing the insurance. He asserted that this form of solicitation has been proven excellent and many additional dollars were made by producers who kept up with the times.

One agent in a town of 250,000 used a mail campaign to emphasize this point and he wrote \$4,800 in additional premiums within 30 days; 65% of the customers followed his suggestions and he had protected his own interest by notifying the other 35%, said Mr. Lelli.

Employed women are likely prospects for combination jewelry and fur floaters—especially those, who in the past, had only carried fur policies. Still other opportunities, maintained Mr. Lelli, were in the personal property floater field. From his own personal experience and statements given him by other companies, he found that 80% of the requests for renewals on this form during the past four years arrived without increased insurance. Personal experiences in the retail markets today should convince producers that anyone today is fortunate.

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nate if they are able to locate house- hold goods or personal effects for sale of a character they want; therefore in the event of a substantial loss, it would be quite possible that property insured on values of years previous would be inadequate, said Mr. Lelli.

Another point, he added, is seeing that adequate insurance is carried on the contents of a dwelling based on to-day's present values.

Agents have a double responsibility, asserted Mr. Lelli; a duty to the company and a duty to the insuring public. Declaring that companies are "now paying losses at cost today and collecting premiums on values of three to six years ago resulting in a substantial increase in loss ratio," Mr. Lelli asserted that it is highly advisable to increase insurance to value.

DISCUSSION PERIOD

Following the speakers Mr. O'Connor sparked a very lively question and answer period. The first question was addressed to Mr. Hill, "Do companies write business interruption insurance on hospitals and educational institutions?" He replied that a special tuition form had been developed for educational institutions and if the hospitals referred to were private institutions he believed coverage had been written for them.

Mr. Jeffery was requested to answer "If a resident owner, insured under the comprehensive personal liability policy, attended a party and became somewhat inebriated and, en route home, was involved in a personal accident in his car and suit was brought for damages, would coverage be provided under this contract?" Mr. Jeffery assumed that the claims was being made under the Dram shop act and replied that he believed such a claim would be covered under the policy.

Mr. Lelli was asked: "May patterns and dies be included in the processing form?" He replied: "If coverage is provided away from the insured's own premises." Another question directed at Mr. Lelli was: "Does the processor's form include a coinsurance clause?" "No, usually these forms are written on a quarterly or monthly reporting basis. If they are written on a flat amount it may require a coinsurance clause."

The next question was addressed to Mr. Hill: "If an insured has a favorable lease with eight years yet to run and makes 50% profit on this deal; fire burns out his business and the lease is canceled. Would he be able to collect for loss of profit under the business interruption insurance?" Mr. Hill replied: "Yes and no." For the period of time he is out of business he will recover for profit above normal for that period and until he is restored to the old quarters or new quarters he will get his net profits paid under this form.

Mr. Jeffery was asked: "If under a comprehensive personal liability policy an occasional employee who washes windows and cuts the lawn works for two or three weeks preparing a garden and at that time slips, falls, and dies as a consequence—is coverage provided?" He replied that first, \$250 medical or funeral expenses are provided under the contract and second, up to \$10,000 is available under the contract for employers liability."

New Shares Are Taken Up

Kansas City F. & M. announces that the recent offering of 50,000 additional shares of common stock has been completed with stockholders and underwriters taking up all of the stock. The company now has a capital and surplus of more than \$2,200,000.

New Minneapolis Title

MINNEAPOLIS—The new name proposed for the local board here to be voted on June is Insurance Agents Association of Minneapolis. The present name is Minneapolis Underwriters Association.

Urges Careful Auto Adjusting, Underwriting

J. V. Herd, America Fore, was re-elected president of the National Automobile Underwriters Association at the annual meeting. Arthur L. Polley, Hartford, is vice-president and W. F. Beyer, Home, treasurer.

New directors at large are J. L. Erhardt, Royal; Esmond Ewing, Travelers; John F. Gilliams, Camden, and T. Leaming Smith, North America.

Regional directors are P. J. Priore, Sun, east; R. H. Griffith, Glens Falls, coast; J. C. Thomson, Fire Association, south and E. H. Forkel, National, west.

Mr. Herd, in his presidential address, emphasized the importance of careful underwriting and careful loss adjustment in these days of poor experience. The recent rate increases will help in improving the experience but cannot cover the price of poor underwriting or adjustments.

Reach Pact on Classifications

NEW YORK—The special subcommittee of the N.A.I.C. fire and marine committee which conferred May 15 with representatives of the stock and mutual fire companies on classification of risks has reported to the full committee agreement with the industry. The dwelling and mercantile contents changes, which were agreed on at the conference, were described in last week's issue.

In the list shown below, the three dwelling classes are an expansion of the single class in the National Board new code; the apartment building and contents are an expansion of the board's single classification; mercantile buildings constitute two National Board classes, mercantile contents two; theaters and halls, excluding dance halls, are a separate class under the new set-up, as are places of amusements, sports and recreation. These two classes are a single class under the National Board plan.

Automobile garages, service and filling stations are a separate class from airplane hangars, whereas they are in the same National Board class. Warehouses, a single National Board class, are separated into three classes: (1) General, merchandise, wool; (2) household furniture; (3) cold storage.

The other classes that differ from the National Board's classification are: Dwellings (except seasonal and farm) as classified by rating bureau, not more than four families; buildings and contents when both are written on same policy; dwellings (except seasonal and farm) as classified by rating bureau, not more than four families, buildings only, when written on separate policy; household contents of dwellings (not more than four families) when contents are written on separate policy.

024 Apartment buildings (more than four families) without mercantile occupancy.

025 Apartment buildings (more than four families) with mercantile occupancy.

026 Household contents of apartments. Stores and dwellings (designed for not more than 4 families) schedule or class rated.

Mercantile buildings (without dwelling occupancy) class rated.

Mercantile buildings (other than class 041) schedule rated.

Heavy stocks including machinery (including those of low susceptibility).

Wearing apparel and textiles.

Food products and beverages (excluding restaurants and bars).

Restaurants and bars. Light merchandise including mixed stocks.

Extra hazardous stocks (including those of high susceptibility).

There are 44 nonmanufacturing classes, 65 manufacturing and 6 sprinklered risks.

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What would happen to your agency if the proprietor, one of the partners, or one of the key men were to die? Familiarity with this subject may bring thousands of dollars of new commissions to your agency, for scores of your clients are in the same position most insurance agencies are: their businesses might go down fast if one of the men at the top were no longer there. Business life insurance can provide money to buy out the interest of a deceased partner or stockholder so that the organization won't be saddled with a "silent", inactive partner who must nevertheless be paid, or it can supply money to employ the management, research or administrative talents necessary to keep the business going.

The Connecticut Mutual offers a complete sales promotion plan with which you can offer this valuable insurance service to your clients. Letters of proved effectiveness are available: they get 15 inquiries per hundred sent out.

Four booklets are part of this selling plan: one on partnerships, one on close corporations, one on key men, and one on proprietorships. Sending the coupon below will bring these four booklets to you free and without obligation. One of them may help solve a serious problem in your agency, and they may start you on the road to substantial additional commissions from your clients. Complete the coupon and send for them now.

1046 1946 100 YEARS The CONNECTICUT MUTUAL LIFE INSURANCE COMPANY • HARTFORD •

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NEWS OF FIELD MEN

Carlton Colo. State Agent for St. Paul F. & M.

Mason Carlton, special agent of St. Paul F. & M. in Chicago and Cook county, has been transferred to Denver as Colorado state agent. He succeeds Justin E. Miller, who has just been transferred to the Pacific Coast as casualty department manager for the St. Paul group.

Mr. Carlton was first trained at the home office and then was sent to Birmingham, Ala., as special agent. He entered the army air forces in 1942 and became a radar operator and flew about 37 missions over Germany. He was discharged last year and returned with St. Paul at the home office, where he was given a refresher course. He was assigned to Chicago about a month ago after having done some traveling in the field.

Indiana and Illinois Field Men to Compete

A full schedule has been announced by H. W. Mullins, National Fire, general chairman of the committee on arrangements for the annual meeting of the Indiana Fire Underwriters Association June 10-12 at Lake Wawasee. In addition to the business meeting and election, there will be baseball, golf, horseshoes, bridge and other diversions, including hole-in-one and golf driving contests.

The annual dinner will be attended by many fieldmen, including a number from Illinois as the Illinois association will hold its annual meeting June 11-13 at the same place. There will be contests between selected ball teams from both states, and also horseshoes and lady guests contests with participants from

Indiana and Illinois. A boat ride for the ladies is scheduled for Wednesday afternoon, with James Bawden, Springfield F. & M., president Indiana association, as host.

Wednesday evening there will be a joint dinner at which prizes will be awarded. The Illinois meeting will run through Thursday.

Great American Rearranges California Field Work

Wilbur C. Hiney, who has been a special agent for Great American out of the Los Angeles office, has been transferred to the Pacific department at San Francisco and promoted to associate general adjuster.

His southern California field hereafter will be handled by Manager George R. Parker of the Los Angeles office, with the assistance of Jay J. DeVoe, special agent and engineer, and James W. Norros, special agent, who is being transferred from the south coast area, working out of San Francisco.

Mr. DeVoe recently returned to the company from service in the army with the rank of major.

Montana Blue Goose Elects

G. V. Lundmark, Great American, was elected most loyal gander of Montana Blue Goose at the annual meeting at Boulder Hot Springs, succeeding H. L. Reilly, New York Underwriters.

Other officers elected are: Supervisor, J. R. Carmichael, Deans & Homer; custodian, Harry Noel, Fire Companies Adjustment Bureau; guardian, H. L. Lange, Pacific Board; keeper, R. A. Nelson, St. Paul F. & M. Two gossings, Wilbur Wolf and W. E. Scott, were initiated and H. L. Reilly was elected delegate to the grand nest meeting.

H. F. Badger of San Francisco, executive secretary Pacific Board, attended and spoke at the banquet.

May Revise Ohio Constitution

A proposed revision of the constitution and by-laws of the Ohio Fire Underwriters Association will be considered at the annual meeting at Lake Wawasee, Ind., June 4-5. Several western managers will be present. The Fire Prevention Association of Ohio, the Blue Goose and the Fire Underwriters Association of Ohio will meet at the same time.

W. Va. Field Meet June 12-13

The field club of West Virginia will meet June 12 at Parkersburg, W. Va., to discuss a program dealing with public relations.

The West Virginia Blue Goose will meet June 13 at Parkersburg. It will be the annual outing of the pond.

Summer to Employers Fire in L. A.

Fred O. Summer, who has just returned from service, has joined the fire and inland marine underwriting department of Employers Fire in Los Angeles. Mr. Summer was formerly with the inland marine department in the home office of Millers National.

Cochrane in Ohio for Merchants

Merchants Fire has appointed Nay Cochrane state agent for Ohio. He will also supervise business in Indiana, Illinois and Michigan, outside of Chicago and Detroit.

Hyde to Maine for Springfield

Springfield F. & M. has appointed William D. Hyde as special agent for Maine with headquarters at 417 Congress street, Portland. He has been with Springfield since 1938, and has had both head office and field experience. He served in the navy as lieutenant in the

south Pacific area. He is a graduate of Bowdoin College, and is a grandson of Bowdoin's past president, William DeWitt Hyde.

Avey Resumes Old Job

Lawrence J. Avey, who has been with Employers Fire 19 years, has returned to the Massachusetts field.

Before the war he handled fire and allied lines, but in 1943 he was temporarily called into the metropolitan office for the duration of the war. He will handle eastern Massachusetts with John R. Hudson, special agent.

Carl E. Bailey, Crum & Forster state agent, Wichita, is recuperating at his home from two major operations which had confined him to Wesley hospital for three months.

Mrs. Richard Kenzel, was hostess at the final meeting of the season of the Wisconsin Women of the Blue Goose.

CHICAGO

HORAN JOINS "BROKER AND BUYER"

Robert J. Horan, veteran of the late war, has become manager of circulation sales of the "Insurance Broker" and "Insurance Buyer" of Chicago and will assist with advertising and editorial promotion.

DANTONET IS NAGHTEN OFFICER

E. E. Dantonet has been elected vice-president of John Naghten & Co., Chicago class 1 agency. John A. Naghten remains as president; F. E. Lally, secretary; E. P. Magee, treasurer, and James Hanning, who retired early this year, continues as a vice-president.

A native of New Orleans, Mr. Dantonet studied at Tulane University and engaged in the lumber business for a short time after serving in the navy in the last war. He joined National Surety in New Orleans in 1921 in the specialty department, later doing field work out of New York. He came to Chicago in 1926 as manager of National Surety's special department, transferring to the Chicago branch as Cook county special agent when the branch was opened in 1936. In 1939, Mr. Dantonet went with Starkweather & Shepley's Chicago office as bond manager, remaining in that capacity until he joined John Naghten & Co. in May, 1945.

BROKERS HONOR STEWART

Brokers in the Stewart, Keator, Kessberger & Lederer general insurance agency of Chicago, general agent of Continental Assurance, are winding up a sales campaign in honor of W. Herbert Stewart, who June 2 will observe his 70th birthday. There has been about 25% increase in the life production.

Those who qualify will attend an all-day outing June 7 at Glen Flora Country Club, near Waukegan. The agency has been general agent of Continental Assurance for eight years. E. O. Johnson is the life department manager.

HUGHES ASSISTS MOREAU

J. M. Hughes has been appointed special agent of St. Paul F. & M. in Chicago, assisting G. E. Moreau, manager. Mr. Hughes has been manager for Seaboard Surety in Milwaukee, and was connected with that company for about 12 years. He will travel Chicago and Cook county.

The Chicago office has been moved into larger quarters in A-1919 Insurance Exchange and has a new telephone number, Webster 4800.

VALUATION OBJECT LESSON

The desirability of having revised valuation on property these days is illustrated by adjustment of a loss sustained by Lake Forest Academy, Lake Forest, Ill., which was found to be considerably underinsured. This is a school for boys. Lake Forest University, situated in the same suburb of Chicago, had a mortgage on this property of the academy. The university carried \$116,-

000 insurance on the building, which was badly damaged. Adjustment showed that the loss was \$160,000.

NAME W.U.A. COMMITTEES

A number of committee appointments have been completed in the Western Underwriters Association following the recent annual meeting. Under the change in constitution the number of committees was reduced. At this time committee membership is announced of five committees. There are two or three more to complete but the list will be far less extensive than in the past.

New members of the governing committee are E. A. Henne, America Fore; E. W. Hotchkiss, Royal-Liverpool; E. D. Lawson, Fireman's Fund, and John Rygel, Hanover.

The other members are C. H. Smith, Hartford; S. M. Buck, Great American; Olaf Nordeng, Automobile; C. A. Dordall, St. Paul; B. A. Jochen, American, and Ivan Escott, Home.

The chairman of the finance committee is Mr. Buck, the other members being C. L. Allen, Aetna Fire; J. R. Cashel, Providence, Washington; C. Clausen, London & Lancashire and A. F. Powrie, Fire Association.

M. E. Peterson, Springfield, heads the forms committee, the other members being Rush Carter, Aetna Fire; M. LePitre, Fire Association; J. G. McFarland, American; Leonard Peterson, Home and E. S. Whitcombe, Hartford.

F. L. Ludington, Atlas, is chairman of the membership committee, the other members being A. O. Andersen, Fireman's Fund; W. G. Bayliss, Aetna Fire; L. N. Bowen, National; Paul H. Britton, Fireman's Fund; H. K. Dickinson, Fire Association, and H. W. La Rue, America Fore.

Heading the order of business committee is Mr. Cashel, the other members being Mr. Hotchkiss, Mr. Nordeng, Mr. Smith and Earl Gibbs, Boston and Old Colony; C. W. Hall, Northwestern F. & M., and S. H. Quackenbush, Crum & Forster.

NEW YORK

EXCHANGE 25-YEAR CLUB ELECTS

At the annual meeting of the 25-Year Club of the New York Fire Insurance Exchange the following officers were elected: President, Alfred Stumpe; vice-presidents, Garrett V. Billings and Anthony M. Dowgwillia; secretary, Miss Alice F. Franklin; treasurer, John T.

FIRE ENGINEER WANTED

Excellent permanent position for experienced man with large Chicago supervising agency. Write G-25, The National Underwriter, 175 W. Jackson Blvd., Chicago.

IOWA FIELDMAN WANTED

By large Non-Affiliated Fire Group. No salary. Must be thoroughly experienced and have considerable following. Top salary in right man. All replies strictly confidential. Address G-6, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

BY ESTABLISHED GENERAL AGENCY Experienced Underwriter and producer with working knowledge of inland and ocean marine classes. Illinois, Wisconsin and Midwest territory. Give full particulars as to age, experience and salary desired. Write G-20, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Young man (Veteran preferred) with general insurance experience to take complete charge of small, fast growing agency in Central Michigan City of over 150,000. Salary and commission on gross agency premiums. Address G-27, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

COOK COUNTY FIRE UNDERWRITER AVAILABLE

Desire change after 21 years with same company, 10 years experience as Cook County underwriter. Married, with family, 40 years of age. Address G-30, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Step up
PREMIUM PRODUCTION

Increase
FIRE POLICIES NOW

YESTERDAY'S INSURANCE
is not in line with
TODAY'S property values.

Let us show you
the difference.

SECURITY FIRE
INSURANCE COMPANY
Davenport Iowa

"Builders of good-will and sound protection"
—Since 1883—

Griffin, and sergeant-at-arms, H. T. Nelson.

The meeting was followed by a buffet supper prepared and served by the women members of the club.

TO PICK SOCIETY SLATE

Appointed members of the nominating committee of the Insurance Society of New York to submit the names of directors to be voted for at the annual meeting on June 20 are Clement L. Despard, president Despard & Co.; Floyd N. Dull, vice-president of Continental Casualty; Hendon Chubb, Chubb & Son; Ray D. Murphy, vice-president and actuary Equitable Society, and Franklin B. Tuttle, vice-president Atlantic Mutual.

JOINS AMERICAN INTERNATIONAL

Philander Alward has joined American International Underwriters Corp., in an executive fire underwriting capacity. Mr. Alward was formerly with Atlantic Mutual as fire metropolitan manager and prior to that was chief fire underwriter for Stuyvesant.

He has been in insurance for 16 years as agent, broker and special agent. He is an instructor for Insurance Society of New York.

S. Carolina Agents Have Good Program Prepared

The program has been announced of the annual meeting of the South Carolina Association of Insurance Agents, June 6-7 at Charleston. Featured speakers will be M. M. Frost, vice-president Eastern Airlines, on "The Weight of Public Opinion"; Roger Kenney, insurance editor United States Investor, on "All This and More to Come"; and R. W. Stevens, Marshall-Stevens Valuation Service, Chicago, "Problems of Insurable Value."

The meeting will start off with a welcome by Mayor Wehman of Charleston and J. P. Riley, president, Charleston local board. Messrs. Frost, Kenney and Stevens will speak at the afternoon session, and in the evening there will be a banquet featuring a humorist speaker.

Mr. Stevens will conduct an informal discussion of methods and elements in valuation under present conditions the second morning, and this will be followed by the executive session. The report of President Thomas R. Miller, Manager H. P. North and State National Director L. A. Grier will be heard. Election of officers will precede the final luncheon Friday afternoon.

Guest ladies will be treated to a luncheon at Fort Sumter hotel, a sightseeing boat trip around Charleston Harbor and the big banquet Thursday night.

Give Program for Arizona Midyear June 7-8

Two discussion meetings will highlight the midyear meeting of the Arizona Association of Insurance Agents at Prescott June 7-8.

Following the regular business meeting Friday morning, that afternoon there will be a discussion session on "Rates, Forms and Aero" led by Verland Haldiman, Phoenix; another on "Insurance Values" by C. M. Rogers, Phoenix; and a third on "Public Relations in Arizona" directed by R. N. Martin, Jr., Tucson.

The second morning another such meeting will be held with four discussion talks led off by George Smith, Bisbee, who will speak on "Veterans on-the-job Training." Other speakers and subjects are "Company-Agency Relations," Joseph Heap, Prescott; "Mutual and Reciprocal Competition," Thomas F. Webb, Jr., Tucson; and "Advantages of Local Boards," Paul H. Jones, Tucson.

Kenneth L. Nehring, Tucson, is president of the association.

George W. Stoddard has purchased the interest of Reid Stoddard in the Stoddard agency, Waukegan, Wis., and will operate it as sole owner.

Women's Atlanta Program Announced

ATLANTA—The complete program for the convention of the National Association of Insurance Women here June 12-15 was made public this week by Mrs. Fern Anderson, St. Paul, president.

The first general session will be held at 2 p. m. June 12, with the keynote address given by Guy T. Warfield, Jr., Baltimore, vice-president N. A. I. A. President Anderson will then give her report. At a get-together dinner that evening J. C. Qualman, Royal-Liverpool, New York, will speak.

The second day will open with a business session and reports of officers and standing committees. C. Bertha Rachofsky of Denver will preside at the luncheon and Chess Logomarsino of the Davison-Paxon Co., Atlanta, will speak on "Behind the Scenes of a Department Store."

Thursday and Friday Speakers

Speakers Thursday afternoon will include Parker G. Sanford, Retail Credit Co., Atlanta, on "The Development of the Inspection Business"; Mary R. Taylor, Jefferson Standard Life, Greensboro, N. C., "Women and Life Insurance"; Ethel Gilmer, New Orleans, "Your Club"; Lillian L. Herring, Chicago, "National Association" and Helen W. Keith, Dallas, "Ways and Means."

Brian Sando, "Insurance Field," will speak at the luncheon Friday on "Selling Your Services and Yourself."

That afternoon Thomas J. Ternan, Jr., American Bonding, Baltimore, will speak on "Comprehensive Dishonesty, Disappearance and Destruction Insurance"; Manley Stockton, Hartford Fire, Atlanta, on inland marine, and R. M. McFarland, Jr., Southeastern Underwriters Association, on public relations.

Louise Rodenberg of the Atlanta Insurance Women's Club will be toastmistress at the banquet, Julian Boehm, Union Central Life, Atlanta, providing the entertainment as a magician.

The final business session and election of officers will be Saturday morning. Sidney O. Smith, Gainesville, Ga., N. A. I. A. past president, will install the new officers.

U. & O. Still Underinsured More Than Property Damage

Underinsurance continues to be a marked characteristic of use and occupancy. This is principally due to lack of knowledge on how to figure the use and occupancy amount. However, with distribution of the standard work sheet by various bureaus, the situation already is improving and should improve a good deal more in the future.

Gross Earnings Form Popular

The gross earnings form for mercantile and non-manufacturing risks is the most popular one. Since its introduction for use by manufacturers, it is being used more and more by that type of risk. Heretofore the contribution form was in most demand by manufacturers. Underwriters suggest that U. & O. for the manufacturer should be figured on both contribution and the gross earnings form to determine the best method. Some manufacturers do not want to insure ordinary payroll.

There seems to be more underinsurance in the manufacturing field than in the others.

Stock Company Association Reelects Cothran President

NEW YORK—The Stock Company Association at the annual meeting held here reelected Perrin C. Cothran, vice-president of Hartford Fire, president; Ivan Escott, vice-president of Home, vice-president; B. M. Culver, president of America Fore, treasurer, and Gale C. Morgan, secretary-manager.

A UNIQUE PROGRAM

OF

AVIATION REINSURANCE

WRITE OR WIRE FOR DETAILS



901 HOGE BUILDING
SEATTLE 4, WASHINGTON

To learn the true facts about a man—Ask his neighbors.

To learn the value of a Texas company—Ask its agents.



During first three months of 1946, our Texas fire business increased 45.6%, as compared with 1945.

To those agents now representing us who made this showing possible—our thanks.

To those agents who do not represent us—a suggestion that here is food for thought!

Fire :: Automobile :: Inland Marine

EDITORIAL COMMENT

A Dangerous Proposal

Insurance men are interested in a movement that has started among some of the members of Congress to pass a bill that would provide for a refund to policyholders who purchased war damage insurance, because there were no losses except in certain sections like the Hawaiian Islands and other scattered points. When the war damage insurance bill was passed and the rates were fixed it was fully understood that this insurance provided protection against a major catastrophe. The atomic bomb was then not even thought of. However, its emergence into the instruments of damage enlarges the possibility of damage on a higher scale than ever thought of previously. However, when the bill in Congress was passed the feeling prevailed that there was an unprecedented danger of loss on a tremendous scale heretofore not experienced. The private companies feared to undertake it because their entire foundations might be badly dislocated and the whole structure irreparably harmed. The government, however, requested the companies to go ahead with their machinery so that the details would be handled in a business-like and scientific way. In the sale of this insurance, naturally people owning property were the ones interested. They could well afford to purchase it, the cost was not heavy but was sufficient to take care of probable loss. It was understood when the policies were sold therefore that it was catastrophe insurance and that if there was any saving it would return to the government to help pay the expense of the war. Those who were paying the premiums, it was said, were able to make this contribution. People of smaller means did not feel it necessary to purchase this form of

indemnity.

Critics of the Congressional suggestion that refund be made to policyholders maintain that premium payers as a body would get an entirely erroneous idea of insurance. If a refund would be made on war damage insurance, then the deduction might be drawn that anyone who had not suffered a loss under a policy would be entitled to a refund. When any plan of insurance is put in motion, naturally there will be loss. The war damage insurance was set in unnatural, unprecedented picture. Regular forms of insurance are based on averages. Rates are based on averages. There might not be any loss in the war damage insurance or there might be tremendous damage. Therefore, much had to be left to pure luck. Some people are inclined to believe that if they have been carrying a policy for some years and have not had a loss, they are entitled to something back. If that factor were projected into the insurance mechanics, rates would have to be increased very much. The man who has not suffered a loss should be congratulated. He should feel that the goddess of chance has been very good to him, because he would not have to be troubled about any adjustment or any interference with his regular order of operations or living. Insurance gathers in its treasury a fund that it has drawn from the great army of people to pay the losses of the comparatively few. It is a co-operative enterprise.

The Congressional suggestion could not be applied to insurance under its present being. The matter at Washington may not become serious and yet it may attract much attention. Producers of insurance should keep their eyes open for any ominous clouds.

Mr. Clark Throws a Curve

Surprise and some consternation within insurance ranks was caused by the charge of Attorney General Clark that public law 15 was procured by insurance to permit the continuance of "unlawful practices" but that he is prepared to go on the warpath in 1948 when the moratorium expires.

The Department of Justice was asked by THE NATIONAL UNDERWRITER to amplify that statement but was advised that Mr. Clark has no further comment at this time.

Mr. Clark's denunciation of public law 15 is surprising. His predecessor,

Mr. Biddle had the opportunity of recommending veto of that act, but he did not do so and it was signed by President Roosevelt with a message setting forth his conception of the purpose and nature of the statute.

Now comes Mr. Clark to complain that PL 15 permits "unlawful practices" and laments that it ties his hands for the time being. If Mr. Clark meant what he said and his reference to insurance was not simply a ghost writer's ineptitude, the implications are shocking.

The industry and state officials have been proceeding on the assumption that

PL 15 represents national policy and that the federal authorities are satisfied to give insurance and the states an opportunity until 1948 to harmonize the system with the federal philosophy without being beaten over the rump into the pen by the Department of Justice. But now, it seems, Mr. Clark resents being foreclosed from immediately civilizing insurance with a Krag. His words gave the impression that he is straining at the leash and that comes Jan. 1, 1948 he will proceed to bury his fangs in the business at a variety of points in its anatomy.

The all industry committee, the commissioners and insurance in general is conscientiously, intelligently and almost feverishly striving to be able to awake New Year's morn 1948 in sanctified state. There is a sincere effort to divine the prospective attitude of the prosecution, to take a disembodied look at the field through the eyes of a ferocious Department of Justice.

The implication of Mr. Clark's words is that insurance hasn't even begun to think about how to stay out of the federal keep and that it is blissfully pursuing "unlawful practices" under the moratorium law which he detests.

It would be a very great service if Mr. Clark at this juncture would specify the practices that are "unlawful" in his book and also in what way and to what extent the proposed new state legislation and revision of association rules

fail to come up to the mark.

Mr. Clark's message should have the effect of bringing to time those who have the notion that the whole situation can be solved by enacting what has come to be known as umbrella legislation, that is laws that will cause federal laws to be inoperative but that will permit insurance activities to be conducted without much if any change.

It is certain that whoever is Attorney General will examine whatever is done in thorough fashion and with the vengeance of a prosecutor and will not be deluded by form.

Most of those who have assumed or have been given responsibilities in working out a solution to the problem are thoroughly sensitive to the fact that the legislation and changes in practice must represent an actual reformation and transformation and they are somewhat alarmed, lest at this late date, a large element of the insurance business, freshly awakened to what is impending, may arise and exert its influence to bring about umbrella-like measures that will crumple when the Department of Justice lets loose the heavens on it. Those who are just commencing to take an active interest in these questions should realize that an immense amount of work has been done in the field and that the ideas that the newcomer may harbor have been threshed out at very great length and with every possible point of view having had its say.

PERSONAL SIDE OF THE BUSINESS

Charles E. Rollins of the Rollins, Burdick, Hunter Co. agency of Chicago, who retired from active business some years ago has been visiting old friends in the city the last week or so. He still maintains an apartment in Chicago so that he can always have a sure place to land when he is in the city. His summer home is at Green Lake, Wis., and his winter home in Florida.

A group of intimate friends of M. G. Jarreau, who retired May 1 as Texas state agent for Great American, are giving a dinner for him at the Dallas Athletic Club, June 3. He has been in the insurance business in Texas more than 50 years. C. A. Woolford, Jr., is chairman of the committee.

Dudley Gale of Gale, Smith & Co., Nashville, has been named treasurer of the Episcopal diocese of Tennessee.

Mrs. Fred A. Price, widow of the late firm member and one of the founders of Conkling, Price & Webb, Chicago, at the home of her cousins, Mr. and Mrs. Oliver Salinger of Chicago, was married to Benjamin G. Harmon, also of Chicago. The Harmons are now on a wedding trip on the west coast and will return June 10 to reside in Chicago.

Immediately after the ceremony they left for St. Paul to attend the 64th wed-

dining anniversary celebration of Mrs. Price's parents.

R. Hill Carruth, Jr., who is a broker with Conkling, Price & Webb, Chicago, is collaborating in writing a series of articles on Chicago airport facilities for "Chicago Aviation News." He flies a Piper Cub and tells about his experiences and the service that he receives at the various ports. He was a lieutenant in the artillery and flew a Piper Cub for observation purposes during combat. He is much interested in developing an aviation insurance business. He completed three years at University of Illinois and is now taking night courses at Northwestern University. His father is a C. P. & W. broker and they constitute a father and son insurance team.

DEATHS

Carl Dieterly, 53, Cincinnati local agent, died there suddenly. Mr. Dieterly had been under a doctor's care for some time, but his illness was not considered serious. He entered the business 35 years ago in the life field with Prudential. He became a superintendent and served in that capacity both at Chillicothe and Cincinnati. He started in the general insurance field 25 years

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Associate Editor, Business Dept.—Ralph E. Richman, Vice-Pres.; J. T. Curtin and W. J. Smyth, Resident Managers.
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ago. A son, George C. Dieterly, has been associated with Mr. Dieterly in the agency. George Dieterly attended University of Cincinnati and entered the business 10 years ago. He will operate the agency.

Charles H. Lum, member of the staff of the National Board 42 years and 24 years assistant general manager at San Francisco, died following a long illness. He joined the board in 1903. He was a member of the engineering staff and then in charge of the actuarial bureau until his transfer to San Francisco in 1921. He was retired last September.

James A. Webb, 75, local agent at Russellville, Ark., since 1915, died there following a long illness.

Arlington C. Ansbro, 46, for 15 years superintendent of the inland marine and the city brokerage department of Northern Assurance in San Francisco, died there after two months illness. He had been in the insurance business since 1924.

Edward F. C. McLaughlin, 50, president of the brokerage firm in New York city bearing his name, died May 21. Mr. McLaughlin, who specialized in Catholic institutional work, had also been in business at Scranton, Pa., and Peoria, Ill. He is succeeded by his sons, Edward and Dennis, both war veterans.

Curtis R. Harold, 74, dean of north-west fire insurance adjusters, died of a heart attack at his home in Yakima. He had a heart ailment for some time but was active and had planned to go to Seattle the following morning. He was retired from active service with the F.C.A.B. at Seattle several years ago, but maintained an office in Seattle.

He was one of the most colorful and best-liked figures in the fire insurance business on the Coast. He was past president Fire Underwriters Association of the Pacific and honorary life member Blue Goose (Seattle pond). He was noted for having adjusted the large Hecla mining loss in Idaho in the early '20s, one of the first large U. & O. mine losses in the business.

He had little formal schooling. From 1901 to 1904 he sold life insurance with New York Life and was a leading producer and won a diamond-studded medal. Then in 1904 he entered fire insurance work as special agent for London Assurance, and in 1912 took a similar post with Fire Association. He became an adjuster in 1914. For many years he was recognized as the leading independent fire adjuster at Seattle and in 1930 became the F.C.A.B. manager at Seattle. In 1938 he was made general adjuster and in 1940 retired.

Private funeral services were held in Yakima early this week and cremation followed.

Victor E. Labbe, 67, local agent at Tomahawk, Wis., since 1923, died suddenly.

Harold L. Meyers, 58, broker with W. A. Alexander & Co. of Chicago, died at his home in Hinsdale, Ill. A veteran of 37 years with W. A. Alexander, Mr. Meyers had wide experience in many contacts in the industry. He was a graduate of Illinois university and during the first world war served as a captain in field artillery, and was discharged as a major.

W. E. Barth, president of Washington Mutual Fire, Louisville, died there after a short illness.

Edgar Grider, 77, member of the Galloway, Grider & Gardner agency, Bowling Green, Ky., died of a heart attack. He had operated an agency in Bowling Green for 42 years. A former partner in the agency was J. Grover Galloway, now state agent of North British. A son, Paul C. Grider, Louisville, is Kentucky-Tennessee state agent of London Assurance.

Harry A. Sheldon, in the insurance and real estate business at Troy, N. Y., for 34 years and prominent in Masonic organizations, died there.

Hundreds of A. & H. sales ideas in **The A. & H. Bulletins**. Write The A. & H. Bulletin, 420 E. 4th St., Cincinnati 2, Ohio.

Chicago Insurance Day Makes Hit

(CONTINUED FROM PAGE 3)

referred to four specific restraints which he said must be avoided. 1. To rules of company organizations forbidding appointment of an agent representing more surety companies. 2. Rules against agents representing certain classes of carriers. 3. Rules of company organizations on dealing with delinquent agents, and 4. the "in or out" rules of agents' associations.

Insurance Slow to Move

Declaring that what lies ahead for the producer is in the producers' hands as never before in the past 75 years, Mr. Diemand said, "the primary requisite for success is salesmanship." Leadership depends entirely upon their individual ability to discover and meet the needs of the public.

After Paul vs. Virginia, Mr. Diemand said, the fire companies welcomed regulation more so than the casualty companies. Insurance companies have lagged behind commercial organizations in meeting the needs of the public. For example, Mr. Diemand said, banks finance a dealer in washing machines under a single contract covering the entire transaction from the time the machine leaves the manufacturing plant until the last payment is made on the last machine in the premises of the purchaser. In contrast, he said, to provide adequate insurance coverage on this same transaction, at least four contracts would be required: 1. marine to cover the transportation risk; 2. fire policy to cover the machines on the premises; 3. open stock burglary coverage to protect against theft from the dealers premises; 4. sprinkler leakage policy where a sprinkler system is installed and, possibly, 5. an inland marine contract to cover the unpaid balances on the machines purchased on an installment basis.

Break Charter Restrictions

Mr. Diemand declared that insurance producers must bring the legislature to realize that the insurance industry cannot be put in a "straight jacket" and observe rigid uniformity.

Deploing that insurance companies are slow about doing anything to make insurance more easily available to the purchasing public, he declared that when a home builder wishes to build a home he enters into one contract with the builder. On the other hand, charter restrictions prevent a single contract being written providing complete insurance.

Mr. Diemand inquired why it should not be possible for a home owner to have his own two policies—one to cover fire and extended perils and the other to provide the "all risk" protection on real and personal property and include broad comprehensive personal insurance. He declared that changes in organization methods will have to be made frequently by both companies and individuals in order to achieve this goal.

In enlarging upon his statement that Public Law 15 is to the advantage of the insurance industry Mr. Diemand asked "how can we grasp the opportunity for freedom offered by the federal government?" He stated that "new things to insurance is the life stream of insurance" and that producers "must ferret out the needs of the buying public" to achieve this goal. The objectives, he said, "should be adequate but reasonable state regulation and the encouragement, sponsoring, and the support of multiple line insurance which is economical to both the underwriter and producer."

In conclusion, Mr. Diemand declared that support of multiple line insurance would enable the Illinois insurance producer to follow Illinois products around the world, instead of the previous going to foreign insurance companies.

Brands Stone Plan as "Nonsense"

(CONTINUED FROM PAGE 1)

the rates to be not excessive, inadequate or unfairly discriminatory. There shall be a fair and reasonable "underwriting profit" or "profit." It has not yet been finally decided whether to refer merely to profit or to underwriting profit.

It is not required that an insurer belong to a rating organization. It requires a 15 day waiting period before rates may become effective and they're effective in that time unless disapproved by the commissioner. The state official has the privilege of asking for a second period of 15 days.

After the 15 day period, by formal procedure, the insurance commissioner can negative rate filings. Any insurer may become a member or subscriber of the rating organization and may apply for approval of deviation.

Differences as to Deviation

There is some difference in the nature of the deviation that may be permitted as between the casualty and the fire bills. These differences take account of the fact that casualty business is based primarily on manuals while the fire business is based on schedules. In casualty deviations can be much more easily justified by experience. Also it takes account of the fact that in practical operations there are few deviations in fire insurance and many in casualty.

The bill establishes the right of the assured to have access to information.

There are certain exceptions as to surety and marine. There are provisions governing the issuance of joint policies and the operation of pools.

Statement of Purpose

There is a statement legislation is intended to retain the benefits of competition, but to guard against destructive competition.

Mr. Smith was questioned as to his opinion of what would happen in any state that did not accept rate legislation. He expressed the belief that insurance operations in such a state would have to be on a completely independent basis and companies could not go even so far as to follow a price leader.

C. M. Cartwright of THE NATIONAL UNDERWRITER presided and introduced a number of men who have just been elevated to higher insurance offices in Chicago including C. L. Allen, new western manager of Aetna Fire; C. W. Ohlsen, just reelected president of Western Underwriters Association; R. S. Danforth, newly elected vice-president of Millers National; Don Weiser, recently appointed manager of Aetna Casualty; C. E. Ingram, elected secretary of Great American; R. S. Chaloner, manager of American Automobile; Robert Ingram, formerly of San Francisco, who has become associated with W. W. Durham agency, and J. B. Scurry, western manager of General of Seattle.

Names J. A. Reid in N. J.

New York Underwriters has appointed Joseph A. Reid as special agent in New Jersey, with headquarters at Newark. Mr. Reid, a son of the late J. A. Reid who was secretary and manager of the automobile and inland department, succeeds Samuel Gray, who recently was appointed state agent in Michigan. A graduate of Bucknell in 1940, Mr. Reid was with Home for 2½ years in the marine department. From there he went to the army, where he was a first lieutenant and bomber pilot.

Percy Brown, who has been with Pacific Employers in Los Angeles, has resigned and will open an independent adjusting office in Long Beach, Cal.

Inflation Reserve Probe Needed

NEW YORK—The subcommittee of the National Association of Insurance Commissioners valuation committee has released its report on the hearing held May 16 on the desirability of requiring companies to carry as a liability a special reserve to offset the present inflated values of stocks. The committee recommends no action at this point but states that "it seems apparent from the upward trend in the market that serious consideration should be given — and given promptly — to this subject by the states and by the industry."

The committee will continue its study of the problem and hopes to be able to submit a report with definite recommendations to the December meeting.

Agents Are Out on Assigned Risks

MINNEAPOLIS—There is no practical way in which the producing agent can get a commission on assigned risk compensation business, William Leslie, general manager of the National Bureau of Casualty & Surety Underwriters, has advised the Minnesota Association of Insurance Agents.

At its recent mid-year meeting, the Minnesota association executive committee passed on to Mr. Leslie a resolution adopted by agents at Hibbing asking that agents who write business for the assured have the right to deliver the assigned risk policy and get a commission on it the same as is being done under the assigned auto risk arrangement. Otherwise the agent will lose contact with his client and lose other lines which he has written for that client, the resolution said.

In his reply Mr. Leslie wrote in part: "The rule prohibiting the payment of any commission on assigned compensation risks was adopted by the casualty acquisition cost conference at the time workmen's compensation assigned risk plans were first introduced and is one that is in universal effect in every state which has such a plan. Thus any change in the rule could hardly be considered for application in Minnesota alone but would have to be considered for application in all of the states having such plans."

"Risks are assigned to carriers on a rotation basis with due regard for their relative premium volume. Hence no scheme could be evolved, unless the mutuals agreed to pay the commissions, under which the producer who handled the assigned risk could be sure of getting a commission."

New St. Paul Setup at Seattle

The St. Paul group has set up a management office at Seattle for Washington and northern Idaho in charge of Glenn W. Potts. He will also be primarily responsible for casualty lines. Ellsworth Simpson is the fire man, and T. W. Harwood, an army veteran, becomes marine head. He replaces Mr. Condit, who has taken a new position.

F. W. Morgan K. C. Manager

Pacific Employers has named as manager at Kansas City Frank W. Morgan. He was formerly with Associated Indemnity at San Francisco as chief safety engineer.

Ray Murphy, general counsel of the Association of Casualty & Surety Executives and past national commander of American Legion, gave the featured address at the Metropolitan and Nylic posts of American Legion at the dedication of memorial monuments for Metropolitan Life and New York Life dead of both wars. He will address the annual meeting of the Iowa State Bar Association at Davenport June 14, after attending the commissioners' meeting.

Rating Bill All But Sealed

(CONTINUED FROM PAGE 1)

in which certain phases of the accident and health insurance business should be regulated. Rather than create a delay in the consideration of these bills the subcommittee and the industry decided to exclude A. & H. Further consideration will be given by the subcommittee to the nature and extent of the regulation required to deal with this problem and a report will be forthcoming later.

There are likewise conflicting views as to the nature and extent of the regulation required in connection with aviation insurance rates. There are a number of aviation rates which lend themselves readily to state regulation. On the other hand, the rating problem in the aviation business has certain peculiarities which are now being explored and it was felt that for the time being, at least, aviation rates should be excluded.

Treat Overlapping Coverages

A paragraph on overlapping coverages was inserted in the bill to prevent regulation under two different bills of the same general subject matter. When the committee prepared the Jan. 18, 1946, draft it felt that the commissioner should designate under which particular act the regulation fell but upon reconsideration it was determined that a more uniform pattern could be secured by allowing the companies operating under the act to make their own choice. Since both acts are subject to the same basic standards the public would be protected in either event.

In drafting these bills the subcommittee made no effort to deal with the possible conflict between laws of this type and compulsory laws such as compensation and motor vehicle insurance. Such cases will require special consideration.

Permits Grouping of Risks

Section 3 dealing with ratemaking, sets forth the general principles to be considered in ratemaking, recognizes the different operating methods of different insurers and preserves their independence by permitting the systems of expense provisions for insurers or groups of insurers to differ from others; it permits the grouping of risks by classifications for establishing rates and minimum premiums and permits classification rates to be modified to produce rates for individual risks in accordance with rating plans which establish standards for measuring variations in hazards or expense provisions, or both.

Such standards may measure any differences among risks that can be demonstrated to have a probable effect on losses or expenses. Rates shall not be excessive, inadequate or unfairly discriminatory, and except to the extent necessary to comply with this requirement uniformity among insurers in any matters within the scope of the section is neither required nor prohibited.

Not Required to Join Lodge

Section 4, dealing with rate filings, starts with two subsections detailing information to be furnished and giving the option of filing through a rating organization but specifying that "nothing in this act shall be construed as requiring any insurer to become a member of or a subscriber to any rating organization."

Subsections (c) and (d) recognize principles which differ to some extent from those followed in the draft of Jan. 18, 1946. In that draft it was provided in substance, subject to certain exceptions, that no rate could be used unless it had been first approved by the commissioner. In this draft a duty is imposed upon the commissioner to review filings as soon as reasonably possible after they have been made in order to meet the requirements of this act. Unlike the Jan. 18 draft, this bill provides for a waiting period between the time the filing is made and when it is to be used.

Has 30 Days to Act

The theory is that the commissioner will examine the filing during that waiting period. It provides a waiting period of 15 days plus an optional waiting period of 15 additional days. It was felt that this 30 day period under most circumstances would afford the commissioner ample time within which to review a filing before it took effect and at the same time would not unduly impede the expeditious transaction of business. This conclusion was based on the fact that usually bureaus and companies informally submit filings to commissioners in advance of formal filings; bureaus and companies are reluctant to go to

the expense of printing and distributing rate manuals and similar data without first ascertaining whether the filing will be approved.

Subsection (d) also contains a provision permitting acceleration of the effective date where the commissioner has reviewed the filing before the expiration of the waiting period or any extension thereof.

Subsection (e) is a clause designed to meet a problem peculiar to the fidelity-surety business. Certain forms of bonds are required to take effect forthwith and it would be impractical to suspend their effective date during the waiting period. The necessity for special treatment was recognized in the commissioners' draft of Jan. 18.

May Dispense with Filings

Subsection (f) permits the commissioner to dispense with filings where it is impracticable to make them in advance of use.

Subsection (g) is designed to provide relief for assured unable to obtain insurance at normal rates. To prevent abuses the approval of the commissioner for any excess charge is required and the commissioner in giving such approval may, of course, be guided by the statutory yardsticks set forth in the bill.

One phase of section 5 (disapproval of filings) is particularly noteworthy; it requires the commissioner in disapproving a filing to set forth the specific grounds on which he relied in making his determinations. It should tend to improve the quality of rate regulation for the requirement that the commissioner shall furnish the reasons supporting his decision prevents arbitrary and capricious action by an administrator, the subcommittee believes.

While the commissioner should consider the expense components of a rate in order to determine its over-all correctness, the bill does not authorize the commissioner to regulate the actual disbursement made by an insurer for expenses.

No Retroactive Disapproval

Subsection (b) takes care of the fact that since many bonds written under this section cannot be canceled by the insurer it was necessary to incorporate in this subsection a provision that any disapproval shall not be retroactive.

Subsection (c) is designed to meet two contingencies: (1) where a rate takes effect under the "deemer" clause (section 4-(d)) and the commissioner subsequently discovers that the rate does not meet the standards, he can review the filing, and (2) there are many filings which are proper when made but which subsequently due to a change in the statistical or economic picture, do not meet the requirements of the act. This subsection enables the commissioner, after a hearing, to disapprove filings which do not meet the requirements of the act. It contains a provision which prevents the commissioner from making his order effective retroactively.

Subsection (d) is designed to provide relief for any person or organization aggrieved with respect to any filing. Complete machinery is established to deal with this problem. As this draft now stands, the rating organization, the insurer, the commissioner and the buyer are all provided with the means of dealing with any defect in the rate structure.

Licensing of Bureaus

Section 6 deals with rating organizations and their activities. It provides for the licensing of such organizations and established standards therefor. In drafting these requirements the committee was fully cognizant of the fact that rating organizations are engaged in price-fixing activities and recognized that such activities should be surrounded with appropriate safeguards in the public interest. On the other hand, the committee also recognized the need for legitimate cooperation among insurers through the medium of rating organizations and the congressional debate preceding the enactment of public law 15 reflected that fact.

It should be noted that section 4-(b) specifically provides that nothing contained in this act shall be construed as requiring any insurer to become a member of or a subscriber to any rating organization. However, there are some rate structures which are so complicated that while there may be no legal obligation imposed upon a company to become a member or subscriber, the company must in fact become either a member or a subscriber if it is to survive economically.

For that reason the subcommittee felt it necessary to see to it that the bills contained provisions which gave the necessary latitude to members and subscribers. This latitude is reflected not only in section 6 on rating organizations but also in section 7, that dealing with deviations, and section 8 covering appeals by minorities.

New Section Is Added

Subsection (d) is new and was not embodied in the previous drafts. In certain instances it has been advantageous for rating organizations to cooperate with insurers or with other rating organizations. The development of standard forms of coverage is an illustration of this form of cooperation. Since this form of cooperation might conceivably be challenged under the Sherman Act it was felt advisable to cover such activ-

ities in these bills.

It was recognized, however, that such activities might be carried to the point where they were no longer fair or reasonable and the necessity for adequate safeguards was apparent. These bills in their present form authorize operation but two restrictions are imposed; first, all rate filings resulting from such cooperative action are subject to all the provisions of the act which are applicable to filings generally and, second, the commissioner may issue a cease and desist order if he finds that the activities or practices carried on under this subsection are unfair or unreasonable or otherwise inconsistent with the provisions of this act. Time will tell whether these safeguards are adequate but in the present state of affairs the subcommittee felt that no need for more drastic requirements had been established.

Regarding deviations, the report says it has become evident that any insurance rate regulatory law which unduly restricts the desire of a carrier to pass on a demonstrated economy to the buyer is not in the public interest. The opportunity for increased flexibility in the application of deviation statutes is conducive to increased competition within the framework of a rating organization. This section is designed to encourage the granting of deviations in proper cases.

May Take Wide View

Under ordinary circumstances deviations have been granted because of demonstrated savings in the expense portion of the dollar. It is recognized, however, that under certain circumstances a more favorable loss record of a company justifies a deviation. There may be still other circumstances calling for the granting of a deviation. The section permits all such factors to be considered provided the result is not inconsistent with the basic standards of the act.

The deviation sections in the fire and casualty bills differ somewhat from each other. The former is broader in scope, since it does not require a uniform percentage deviation and it reflects the difference in the methods of operation of the two businesses.

The deviation section (section 7) applicable to casualty and surety companies reads:

"Every member of or subscriber to a rating organization shall adhere to the filings made on its behalf by such organization except that any such insurer may make written application to the commissioner for permission to file a uniform percentage decrease or increase to be applied to the premiums produced by the rating system so filed for a kind of insurance, or for a class of insurance, which is found by the commissioner to be proper rating unit for the application of such uniform percentage decrease or increase, or for a subdivision of a kind of insurance (1) comprised of a group of manual classifications which is treated as a separate unit for rate making purposes, or (2) for which separate expense provisions are included in the filings of the rating organization. Such application shall specify the basis for the modification and shall be accompanied by the data upon which the applicant relies."

Arranging for Hearing

A copy of the application and data shall be sent simultaneously to such rating organization. The commissioner shall set a time and place for a hearing at which the insurer and such rating organization may be heard and shall give them not less than ten days written notice thereof. In the event the commissioner is advised by the rating organization that it does not desire a hearing, he may, upon the consent of the applicant, waive such hearing. The commissioner shall issue an order permitting the modification for such insurer to be filed if he finds it to be justified and it shall thereupon become effective. He shall issue an order denying such application if he finds that the modification is not justified or that the resulting premiums would be excessive, inadequate or unfairly discriminatory. Each deviation permitted to be filed shall be effective for a period of one year from the date of such permission unless terminated sooner with the approval of the commissioner.

The fire and marine deviation section reads:

"Every member of or subscriber to a rating organization shall adhere to the filings made on its behalf by such organization except that any such insurer may make written application to the commissioner for permission to file a deviation from the class rates, schedules, rating plans or rules respecting any kind of insurance, or class of risk within a kind of insurance, or combination thereof. Such application shall specify the basis for the modification and a copy thereof shall also be sent simultaneously to such rating organization. The commissioner shall set a time and place for a hearing at which the insurer and such rating organization may be heard and shall give them not less than 10 days' written notice thereof. In the event the commissioner is advised by the rating organization that it does not desire a hearing, he may, upon the consent of the applicant, waive such hearing. In considering the application for permission to file such deviation the commissioner shall give consideration to the available statistics and the principles for rate making as provided in section 3

of this act. The commissioner shall issue an order permitting the deviation for such insurer to be filed if he finds it to be justified and it shall thereupon become effective. He shall issue an order denying such application if he finds that the resulting premiums would be excessive, inadequate or unfairly discriminatory. Each deviation permitted to be filed shall be effective for a period of one year from the date of such permission unless terminated sooner with the approval of the commissioner."

Appeals by Minority

Regarding section 8, permitting appeals by a minority of a rating organization the report points out that the right of appeal will probably be sparingly used by minority members of rating bureaus where there are competing bureaus in the same field or where the insurer can operate to good advantage without retaining his membership in the bureau. This is because a dissatisfied insurer can resign from one bureau and affiliate with another one or can operate independently.

On the other hand, where an insurer does not have these choices and for all practical reasons must be a member or subscriber of a rating organization, it seems reasonable to assume that more frequent use will be made of this form of relief.

In the Jan. 18 draft, which is concededly broader in scope than the present bills, language was used which gave the commissioner the right to grant, modify or reverse any decision of a rating bureau upon an appeal by a minority member. The industry had offered as a suggestion a provision which specified, in substance, that the commissioner could affirm the action of the majority or, in the event that the commissioner disagreed, he could ask the majority to reconsider. This suggestion was unacceptable to the subcommittee.

Agreement Is Reached

Both the conference committee of the all-industry committee and the subcommittee agreed that a minority appeal should unquestionably give the commissioner the power to compel a rating organization to make a filing on behalf of a member or subscriber where the appeal was based upon the refusal of the majority to make a filing for the appellant based upon a system of expense provisions which was also reflected in the filing made by the rating organization. Such a provision is included in the casualty bill and to that extent meets none of the major objectives which the subcommittee sought to attain in the language which it used in the January draft.

A second class of minority appeals, but of equal importance, arises where a majority in a bureau refuse to make a filing for a minority on new and broader forms of coverage. In addition to the filings of the rating organization, the latest draft specifically meets this problem and to that extent it likewise effectuates one of the results which the committee sought to attain in its draft of January. Experience in those states where appeals have been taken to the commissioner from the actions of majorities in rating bureaus have usually centered on the two grounds enumerated. Time will tell whether other protection for minorities is required, the report states.

Regarding advisory organizations, section 10 states that it has been recognized that were the states to require insurers to form separate rating organizations in every state it would create a tremendous bureaucracy, often wholly unnecessary, and would increase the cost with little or no compensating return. At the same time it was also recognized that in order to give the state adequate control over the activities of rating organizations, as contemplated by public law 15, a method had to be devised of placing such organizations under the jurisdiction and control of the commissioner. Licensing was the medium employed to achieve that result in these bills.

Other Than Rating Units

However, there are many organizations in the business which assist insurers and rating organizations in making rates but which cannot be said to be rating organizations. It was felt that no useful purpose would be served by making such organizations submit to the same licensing requirements as rating organizations. At the same time it was decided that the public interest as well as the provisions of the Sherman act required that a measure of control be kept over such organizations. Section 10 was devised to meet this problem.

The organizations are required to meet certain filing requirements and particularly to submit to examination under exactly the same requirements as a rating bureau. Power is conferred upon the commissioner to issue a cease and desist order if he finds that the activities of such advisory organizations are unfair or unreasonable or otherwise inconsistent with the provisions of the act. As an added safeguard, insurers and rating organizations are prohibited from using the facilities of advisory organizations unless the advisory organization has first complied with the requirements of the section. Under penalty of suspension or revocation of their licenses section 16 of the casualty bill and section 15 of fire bill,

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The NATIONAL UNDERWRITER

CASUALTY AND SURETY SECTION

Uniform Accounting Law Should Aid Loss Prevention

Accountants Told Reasons Why by President Lafrentz of American Surety

NEW YORK—New York's recently enacted uniform classification of accounts bill should do much to bring about a needed greater recognition of the importance of loss prevention work in insurance, said A. F. Lafrentz, president of American Surety, at the meeting of the Insurance Accountants Association. When, under this law, proper uniform expense accounts for various classes of insurers have been set up the cost of loss prevention can be more adequately determined. Companies, rating organizations and insurance departments should then be in a position to support a rating program which will recognize this cost as one, if not the most, important element in determining fair and reasonable rates.

Mr. Lafrentz was critical of the New York department's practice of ordering "drastic reductions" in premium rates based solely on favorable loss experience and said if it were continued it would result in curtailment of loss prevention, which is very valuable to the insuring public. Realization that a considerable part of the premium dollar should go toward loss prevention activities is becoming more widespread, he said. Prevention of avoidable loss is as much a part of good insurance and corporate suretyship service as loss payments are.

Loss Ratio No Criterion

"In my small way I have attempted to point out to supervising authorities, particularly here in the New York insurance department, that a fair and reasonable premium rate should not be judged solely on the basis of a permissible loss ratio," he said. "Insurance companies should, in my opinion, be encouraged to spend more and more of the premium dollar in preventing accidents and losses."

Describing loss prevention activities in the fidelity-surety field, Mr. Lafrentz told how insurers' advice during the crime wave after the last war had helped curb bank robbers. He also listed precautions evolved for banks to thwart fidelity losses and minimize the forgery hazard. He said he was confident that the results of loss prevention planning with bank clients have been an important factor in the considerable reduction in bankers' blanket bond premium costs in recent years, while continued loss prevention measures will affect future costs, if only to the extent that present low premium levels can be maintained. It is of immediate importance to each bank insured, he said, to make constant effort to prevent loss so as to maintain a high percentage of experience credit or improve a low credit.

Salvage Is Loss Prevention

Salvage work is also loss prevention, said Mr. Lafrentz, for it affects the general picture by reducing net losses and it affects the individual risk where it returns part or all of an uninsured excess loss to the insured. It directly affects the premium cost to all risks subject to experience rating.

Mr. Lafrentz said that loss preven-

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Program of Nat'l A. & H. Association Complete Schedule for Annual Meeting in Denver June 17-19 Announced

The completed program for the annual meeting of the National Association of Accident & Health Underwriters in Denver June 17-19 has been announced. The registration will start Sunday, June 16, and there will be an informal get-together that evening. S. A. Riesenman, secretary of Security Life & Accident, is convention general chairman.



E. F. Gregory

The regular convention program starts Monday, June 17, with E. F. Gregory, Business Men's Assurance, Denver, presiding. He also will give the address of welcome and an additional welcome to Colorado on behalf of the state will be extended by Governor John C. Vivian.

Maj. W. Lee Baldwin, president Security Life & Accident of Denver, will give the first formal address on "Where Are We Going?" The report of President Robert J. Costigan, Business Men's Assurance, Kansas City, will conclude the first morning session.

The women's division will hold its business session at luncheon the first day, with Margaret E. Olson, North American Life & Casualty, Minneapolis, chairman of the division, presiding.

Two Sessions First Afternoon

E. H. O'Connor, Chicago, managing director Insurance Economics Society and former president of the National association, will be the luncheon speaker on "Security—Social and Anti-Social."

There will be two simultaneous sessions that afternoon. A session for agents only, following the pattern set at Wichita last year, will be held with David H. Stein, Pacific Mutual Life, Denver, presiding. The other session is that for general agents and managers only, in charge of Robert J. Barrett, Occidental Life, Kansas City, chairman of the general agents and managers committee of the National association.

That evening at 7 o'clock what is likely to be the entertainment highlight of the Denver convention, the "Days of '49," will be staged at the Old Town Hall.

The Leading Producers Round Table will hold a breakfast session at 8:30, June 18, at which new officers will be elected and possible changes in qualification requirements for membership in the Round Table will be taken up. Charles B. Stumpf, Illinois Mutual Casualty, Madison, Wis., Round Table chairman, will be in charge.

The Round Table also will conduct a forum from its membership at the regular convention session that morning, with Mr. Stumpf presiding. The program includes: "Underwriting in the Field," Ralph Dunn, chief underwriter Security Life & Accident, Denver; "The Women—Where They Fit in Our Prospect Files," Alfred K. Perego, manager Wisconsin National Life, Milwaukee; "Accident and Health at the Crossroads," David H. Stein.

At the sales congress luncheon, with R. B. Smith, Great Northern Life, Oklahoma City, first vice-president of the National association, presiding, Maj. Victor Grant of Denver will speak on "The Outlook for Post-War America."

National President Costigan will preside at the afternoon congress session.

U. S. Compensation Commission Shift to FSA Opposed

WASHINGTON—The Association of Casualty & Surety Executives is protesting those features of President Truman's government reorganization plan No. 2 which would abolish the U. S. employees compensation commission and transfer its functions to the federal security administrator.

The association is asking for a hearing before the House committee on expenditures in the executive department on a resolution introduced by Rep. Pittenger, Minnesota. Disapproving the proposal, a similar resolution has been referred to the senate judiciary committee.

Reasons for Opposition

The opposition to this feature points out that the compensation commission administers the longshoremen's and harborworkers' act, which provides a system of compensation for certain maritime industry workers, as well as the U. S. government employees' compensation law and the District of Columbia compensation act.

It is pointed out that there are no government funds or employees' funds involved in the longshoremen's and harborworkers' act—all employers' funds. Also the law creating the U. S. employees compensation commission made it a bi-partisan, quasi-judicial body.

The Executives Association is stated to be unalterably opposed to transferring the functions of such a body to federal security administrator, who is a political appointee of the president.

Am. Surety Charter Amendments

American Surety has called a special meeting of stockholders July 3 to act upon charter amendments to take advantage of the new New York law increasing the writing powers of casualty companies. Amendments will include permission to write the personal property floater and to permit writing insurance providing for payment of medical, hospital, surgical and funeral benefits to injured persons as authorized by the 1942 law, to enable the company to write such other kinds of insurance as may be permitted in the future by law amendments and permit reinsurance of any insurable risks which the company is not permitted by law to insure directly. Also to provide that the duration of the corporation be perpetual.

There will be four addresses at that session: "Solving Problems," George W. Kemper, manager accident and health department Fireman's Fund Indemnity; "Repetition—Reputation," Arthur M. Holtzman, Mutual Benefit Health & Accident, Rochester, N. Y.; "Me and My Sale," M. C. Laughman, North American Life & Casualty, Minneapolis, and "Vitamins of Progress," Walter M. Jones, Business Men's Assurance, Salt Lake City.

Banquet Tuesday Night

The annual convention banquet will be held Tuesday night with Gilbert H. Knight, Federal Life & Casualty, Cleveland, second vice-president National association, and Mr. Riesenman presiding and Floyd Brown entertaining. It will be followed by dancing. The National council meeting will be held the morning of June 19. New officers will be elected and the convention cities for the annual and mid-year meetings in 1947 selected.

The convention will close with a luncheon at which Dwight Mead, Pacific Mutual Life, Seattle, former National association president, will preside.

Private Passenger Automobile Rates Raised Generally

B. I. Up to Pre-War Level, P. D. Higher, Filing in All States

NEW YORK—The National Bureau of Casualty & Surety Underwriters has increased private passenger automobile bodily injury liability rates to approximately the pre-war level and property damage liability rates to somewhat above that level. This action, expected for a long time, is effective in all "open" states as of May 27, while in Illinois it is retroactive to May 15.

It is assumed that approval of similar rate increases will be forthcoming in states where approval is required as quickly as possible. It is also believed that non-conference insurers will follow the National Bureau action and that there is little prospect of a rate war under present experience.

Illinois Rates Approved

The Illinois insurance department has approved the private passenger rate increases, as of May 15, and also approved the new truck rating plans, garage liability schedules and other rule changes put into force in most states in April.

For territory 1, which is Chicago and the nearest suburbs, the new A-1 private passenger charges are \$21 for bodily injury and \$11.50 for property damage. The A rates are \$24 and \$13 and the B rates \$30 and \$16.50. The class 5 truck rates are \$50 and \$25 for CA and \$103 and \$56 for CB trucks.

It is understood that non-bureau carriers pressed strongly for these increases and most of them are expected to follow the new scale.

Philadelphia Rates Compared

On a Chevrolet in the Philadelphia area for the B, or business and pleasure, use the bodily injury premium in 1941 was \$34.80 and the property damage \$11.31. In 1942 these two figures dropped to \$22 and \$8.50; last October the increase was to \$29 and \$13 respectively, and the present revision brings it to \$35 and \$16.50. Before the war the differentials maintained between the B classification and the A and A1 for bodily injury was 20% and 30%. These differentials were maintained in the October, 1945, change and in the present revision. The pre war differentials were 20% and 25%.

The new rates have not yet been approved in New York state.

Rate sheets mailed by the bureau to agents in the east were returned to the bureau Friday because of the railroad strike, and had to be re-mailed Monday. This meant that policies expiring Monday—or Tuesday if the rate sheets had not arrived—would be renewed at the old rate. The bureau starts its mailings to the Pacific Coast and the midwest earlier than those in the east so they will arrive at all agencies at the same time. For the country other than the east the mailing was accomplished before the railroad strike.

Representatives of the National Bureau and New York department conferred on proposed revisions in the automobile rates Tuesday. Property damage rates filed were the same as filed in other states, but the B.I. increase was somewhat less because that class of rates was increased more for New York at the end of gasoline rationing than in open states.

Richard Layton, Rough Notes Co., and Walter Dithmer, W. P. Ray & Co., Indianapolis, are instructors for the insurance agency management course now being given by the **Lafayette Insurance Board, Lafayette, Ind.**

Casualty Net Premiums and Paid Losses in 1945 in OHIO

	Total Premium and Losses	Auto. Liab. Premium and Losses	Other Liab. Premium and Losses	Fidel. Premium and Losses	Surety Premium and Losses	Plate Glass Premium and Losses	Burg. Theft Premium and Losses	Auto. P. D. Premium and Losses	Other P. D. Premium and Losses	Total Premium and Losses	Auto. Liab. Premium and Losses	Other Liab. Premium and Losses	Fidel. Premium and Losses	Surety Premium and Losses	Plate Glass Premium and Losses	Burg. Theft Premium and Losses	Auto. P. D. Premium and Losses	Other P. D. Premium and Losses
Acc. & Cas.	94,342	43,476	18,906	859	463	1,797	7,371	18,885	714	1,167,098	278,840	335,145	106,519	39,282	14,610	93,400	126,527	80,781
Aetna Cas.	1,894,887	594,203	459,228	188,238	105,284	24,366	130,809	234,194	73,250	332,247	85,734	89,209	2,329	19,067	4,157	17,905	90,444	11,640
Allstate	273,498	165,525	.....	.....	.....	.....	.....	107,955	.....	7,287	337,395	51,028	302	65,586	12,072	14,565	173,506	4,852
Amer. Auto.	1,214,522	697,591	114,825	434	.....	15,362	18,641	306,116	24,688	229,937	105,623	3,810	.....	.....	6,017	3,930	86,624	440
Amer. Cas.	553,129	251,443	77,834	8,291	19,979	19,268	29,573	112,536	4,691	335,475	163,751	123,414	25,891	.....	1,800	14,490	83,676	15,479
Amer. Empl.	237,711	93,706	43,247	23,565	6,326	6,311	18,939	41,912	5,136	40,162	2,850	241	.....	.....	1,288	9,010	12,501	3,832
Amer. F. & C.	135,333	101,384	.....	.....	.....	.....	.....	33,959	.....	122,688	35,977	24,794	2,065	.....	586	1,858	7,566	.....
Amer. Mut.	163,436	59,930	40,581	13,791	1,163	158	250	40,059	303	750,294	337,539	102,125	32,179	2,712	5,823	21,852	164,832	7,485
Am. G. & L.	10,450	-3,234	82	5,421	.....	.....	.....	-724	1,879	229,907	64,751	23,717	1,329	.....	2,290	1,890	108,455	1,082
Amer. Ind.	230,419	91,117	16,444	.....	.....	2,481	9,169	87,317	2,390	51,813	14,334	2,828	1,241	.....	1,378	3,922	27,481	628
Amer. Mut. L.	129,937	46,827	30,088	7,000	.....	331	4,649	23,159	5,406	14,825	1,654	8,287	.....	.....	.....	.....	10,551	3,058
Amer. Pchldrs.	393	76	231	.....	.....	.....	.....	33	32	1,021,705	236,151	197,947	138,608	114,967	20,040	80,160	91,510	36,311
Amer. Re.	123,429	25,398	10,404	47,992	27,459	3	7,730	1,703	1,169	267,734	80,111	26,274	14,491	-23,804	7,859	33,219	74,568	5,656
Amer. States	1,018,700	295,742	52,032	.....	.....	8,793	30,459	85,295	9,639	296,735	81,599	38,300	39,094	22,475	6,833	16,242	28,453	7,337
Amer. Sur.	699,710	114,330	54,295	302,378	115,155	9,946	49,514	47,181	6,718	109,847	38,163	7,280	6,727	4,873	2,162	2,188	22,056	1,567
Arex Ind.	4,340	500	2,422	12,090	-900	3,077	9,001	28,497	739	2,920	.....	.....	.....	.....	.....	.....	.....	.....
Assoc. Ind.	26,657	232	25,478	.....	.....	455	.....	108	382	15,516	3,294	.....	2,124	2,008	287	.....	7,792	.....
Atlantic	8,442	41,108	.....	.....	.....	.....	.....	40,334	.....	28,932	2,119	.....	906	3,996	40	.....	21,869	.....
Atlantic M. I.	58	36	.....	.....	.....	201	.....	18,304	3	1,357,519	408,975	20,805	.....	.....	.....	.....	627,318	8,574
Auto. Owners	644,387	174,060	25,210	.....	.....	16,255	29,574	284,522	7,310	495,264	96,481	257	.....	.....	.....	.....	325,590	948
Bankers Ind.	809,937	268,325	256,854	1,836	.....	33,557	96,426	106,217	31,621	27,995	7,871	.....	.....	.....	.....	.....	14,617	.....
Beacon M. I.	666,050	166,384	1,396	.....	.....	2,046	17,300	298,570	334	23,915	12,906	.....	.....	.....	.....	.....	8,608	.....
Buckeye Un. Cas.	3,543,317	1,074,422	274,692	54,293	115,503	1,400,618	38,174	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Colma M. C.	860,523	280,921	9,227	26,429	34,306	920,450	5,226	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Central Sur.	128,979	64,812	2,767	4,066	2,680	415,831	1,633	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Century Ind.	158,363	44,786	27,522	3,182	791	220,350	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Citizens Cas.	53,241	14,753	13,008	1,727	1,304	662	18,186	4,271	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Columbia Cas.	141,437	42,611	23,462	12,147	9,833	3,066	9,237	17,697	1,763	.....	.....	.....	.....	.....	.....	.....	.....	.....
Comm. Cas.	485,681	134,012	87,018	9,159	1,050	1,585	4,643	11,915	38	.....	.....	.....	.....	.....	.....	.....	.....	.....
Coast Ind.	108,117	55,824	9,906	1,078	5,554	27,192	1,099	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Cent. Cas.	1,749,001	298,324	191,545	55,470	42,374	16,922	70,276	118,889	-24,249	.....	.....	.....	.....	.....	.....	.....	.....	.....
Deaborn Natl. Cas.	3,266	794	1,235	86	613	510	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Eagle Ind.	168,543	76,199	22,126	5,455	4,500	4,742	11,016	29,584	2,852	.....	.....	.....	.....	.....	.....	.....	.....	.....
Electric M. L.	5,522	2,119	6,431	2,511	-59	1,321	3,697	17,542	260	.....	.....	.....	.....	.....	.....	.....	.....	.....
Emeco Cas.	245,569	157,385	8,654	510	285	1,380	2,190	74,100	928	.....	.....	.....	.....	.....	.....	.....	.....	.....
Empl. Liab.	409,664	145,405	158,296	36,232	4,034	16,013	35,125	65,366	21,212	.....	.....	.....	.....	.....	.....	.....	.....	.....
Empl. M. C.	136,591	31,277	20,802	5,680	2,071	4,361	4,851	44,368	3,139	.....	.....	.....	.....	.....	.....	.....	.....	.....
Empl. M. L.	81,592	33,914	14,003	95	90	2,020	48,787	4,463	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Eqpt. Ind.	424,864	111,439	23,474	92,721	32,473	425	30,259	12,293	4,537	.....	.....	.....	.....	.....	.....	.....	.....	.....
Eqpt. Mut.	76,724	33,731	8,834	5,727	255	33	9,478	1,361	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Eqpt. Rel.	2,814	580	818	.....	.....	.....	.....	2,668	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Eureka Cas.	66,890	42,490	3,425	847	4,504	15,006	575	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Europ. Gen. Re.	126,433	6,863	127	916	1,550	6,700	85	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Excels.	67,793	40,322	4,387	10,430	6,768	323	3,051	1,888	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Factory M. L.	11,051	11,916	.....	320	-1,085	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Farm Bur. M. A.	5,948,326	1,613,488	141,776	2,927	.....	36,325	2,904,499	52,843	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
F. & C.	1,037,656	362,152	147,826	150,873	62,211	10,092	63,940	92,564	74,932	.....	.....	.....	.....	.....	.....	.....	.....	.....
F. & D.	767,886	.....	1,086	323,692	139,504	8,876	94,635	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Fidelity Mut.	911	381	.....	27,624	23,835	.....	12,975	.....	465	.....	.....	.....	.....	.....	.....	.....	.....	.....
Fireman's F. I.	229,441	70,048	47,096	24,113	8,482	4,056	16,831	31,198	11,038	.....	.....	.....	.....	.....	.....	.....	.....	.....
Gen. Acci.	780,979	344,197	145,300	2,087	.....	2,149	2,292	24,916	753	.....	.....	.....	.....	.....	.....	.....	.....	.....
Gen. Cas.	298,784	100,644	31,870	14,615	38,347	153,344	24,088	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Gen. Re.	353,553	177,955	49,723	95,860	49,230	1,865	66,196	8,312	29,455	.....	.....	.....	.....	.....	.....	.....	.....	.....
Glen Falls Ind.	312,820	70,446	69,832	22,587	41,074	7,493	37,846	35,064	14,997	.....	.....	.....	.....	.....	.....	.....	.....	.....
Globe Ind.	1,000,614	514,890	100,036	49,473	24,138	17,810	76,804	180,539	16,848	.....	.....	.....	.....	.....	.....	.....	.....	.....
Grange M. C.	470,574	134,098	4,134	5,202	-1,892	7,882	16,256	37,966	3,385	.....	.....	.....	.....	.....	.....	.....	.....	.....
Grt. Amer. Ind.	372,495	149,932	52,892	27,446	13,581	6,125	25,831	57,476	9,209	.....	.....	.....	.....	.....	.....	.....	.....	.....
Grt. Cen. Mut.	119,620	56,269	15,335	944	-150	1,362	7,792	32,381	1,321	.....	.....	.....	.....	.....	.....	.....	.....	.....
Hardware Ind.	19,634	7,867	4,694	.....	.....	949	1,033	3,330	1,088	.....	.....	.....	.....	.....	.....	.....	.....	.....
Hardware M. C.	244,471	96,745	28,043	2,504	2,567	1,742	1,875	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Hartford A. & I.	1,339,671	397,653	288,156	179,848	83,357	21,498	112,635	169,922	48,862	.....	.....	.....	.....	.....	.....	.....	.....	.....
Home Ind.	629,077	251,083	130,010	2,005	-8,745	10,770	21,222	123,614	6,109	.....	.....	.....	.....	.....	.....	.....	.....	.....
Hoosier Cas.	722,503	126,347	554	10,858	14,641	84,422	953
Ill. Natl. Cas.	171,494	51,590	340

(CONTINUED ON NEXT PAGE)

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	Total Prema. and Losses	Auto. Liab. Prema. and Losses	Other Liab. Prema. and Losses	Fidel. Prema. and Losses	Surety Prema. and Losses	Plate Glass Prema. and Losses	Burg. Theft Prema. and Losses	Auto. P. D. & Coll. Prema. and Losses	Other P. D. & Coll. Prema. and Losses
Va. Surety	87,020	60,561						26,458	
Western C. & S.	16,526	35,209						16,526	
West'n Nat. Ind.	216,065	90,425	28,232		506	35,073	6,294	9,856	43,239
West. Res. M. C.	72,680	24,952	8,147		—161	1,879	4,946	32,432	2,801
Western Sur.	17,482	5,217	1,669		1,914	1,403	111	1,733	2,087
Wolverine	2,327	48	350		460		54	112	928
Yorkshire Ind.	56,263	14,577						30,871	
Zurich	21,362	1,315						17,236	
	4,185				1,007	3,177			
	414,384	142,519	5,739				841	5,425	109,784
	170,669	41,168	61				205	794	108,500
	37,474	13,710	6,211		2,308	2,991	1,612	4,066	6,090
	19,529	7,931	2,573		—90	—490	1,040	3,514	4,690
	792,117	320,491	87,164				4,304	14,243	98,747
	214,118	44,850	18,110				2,226	2,654	40,859

ACCIDENT & HEALTH

	Net Prema.	Paid Losses	Total Prema.	1945	1944
Accident & Cas.	1,639	\$ 413		\$91,707,576*	\$81,744,139*
Aetna Cas.	1,869			39,861,005*	32,097,219*
Aetna Life	3,843,578	3,290,899		10,172,600	17,279,863
Alliance Life	616			6,085,479	5,043,716
Allegheny Mut. Cas.	32,437	10,694		6,903,045	6,506,941
Allstate	18			1,297,544	1,158,804
American Auto.	513	500		3,517,098	2,466,001
American Cas.	29,539	5,723		280,907	254,779
American Employ.	3,805	—8,626		2,068,241	2,054,786
American L. & A.	401,324	109,766		12,780	333,117
American Mut. Liability.	1,196	180		832,296	789,863
Amer. Policyholders	7,628	4,207		370,266	275,359
American Reinsurance	1,131	628		2,902,324	2,608,646
American States	58,277	13,397		740,478	530,707
Anchor Casualty	17	17		15,783,356	13,575,064
Atlantic	4,228	1,265		10,003,866	7,476,803
Bankers Ind.	15,097	6,888		1,013,442	219,999
Bankers Life, Ia.	17,485	9,901		*Includes A. & H. steam boiler, credit, livestock, water damage and auto comprehensive of full cover insurers.	
Bankers Natl. Life	448			†Not separated as between auto and other than auto.	
Beacon Mut. Ind.	113,091	33,174			
Beneficial Standard	5,396	310			
Ben. Assn. of R. R. Emp.	483,923	298,646			
Business Men's Assur.	150,105	57,928			
Celina Mut. Cas.	39,714	6,625			
Central Assur.	115,946	31,611			
Central Surety	175				
Century Indem.	2,655				
Columbia Cas.	5,498	1,101			
Columbian National	6,065	3,479			
Columbus Mut.	112,914	43,693			
Combined Mut. Cas.	41,674	7,124			
Commercial Cas.	177,957	84,566			
Commonwealth L. & A.	12,637	1,019			
Conn. Genl.	525,577	234,851			
Continental Assurance	174,904	161,054			
Continental Cas.	928,678	412,846			
Craftsman	47,538	12,932			
Dearborn Natl. Cas.	25				
Eagle Indemnity	7,650	3,884			
Ed. Mut. A. & H.	19,776	8,123			
Emmco Cas.	221	925			
Empl. Liability	14,257	8,116			
Employers Mut. Cas.	1,269				
Employers Re.	39,996	12,465			
Equitable L. Society	1,757,647	1,080,140			
European Gen. Re.	58,516	28,412			
Farm Bur. Mut. Auto.	1,011,938	567,038			
Federal Life, Ill.	26,976	23,753			
Federal Life & Cas.	242,131	31,051			
Fidelity & Cas.	85,227	17,424			
Fidelity H. & A.	35,787	13,720			
Fireman's Fund Ind.	9,404	2,209			
Franklin Life	2,694	40			
General Acc.	57,646	20,236			
General American	26,041	10,635			
General Re.	24,554	2,632			
Glens Falls	13,527	1,852			
Globe Cas.	59,057	14,630			
Globe Indemnity	50,448	11,487			
Grange Mut. Cas.	57,758	39,628			
Great Amer. Ind.	27,862	4,361			
Great Northern	91,448	26,699			
Great West	31				
Hardware Mut. Cas.	1,666	1,062			
Hartford Acc. & Ind.	37,736	12,436			
Home Ind.	1,138	16			
Hoodier Cas.	334,780	132,804			
Illinois Bankers	83,499	20,475			
Illinois Natl. Cas.	7,331	2,449			
Income Guaranty	47,064	18,986			
Indem. N. A.	91,010	10,277			
Inter-Ocean Cas.	423,226	179,938			
Inter-State B. M. A.	21,790	8,918			
John Hancock	712,634	359,203			
Liberty Mutual	2,693	297			
Life of Va.	1,226	1,512			
Lincoln National	3,143	1,586			
London Guar. & Acc.	5,877	5,105			
Lon. & Lan. Ind.	13,238	1,989			
Loyal Prot.	144,722	52,186			
Lumb. Mut. Cas.	15,279	935			
Mammoth L. & A.	206,977	55,882			
Mfra. Cas.	459				
Maryland Cas.	80,334	22,391			
Mass. Bonding	56,816	24,827			
Mass. Casualty	72,362	25,966			
Mass. Indem.	211,392	62,630			
Mass. Protective	587,067	236,587			
Medical Mut., Cleveland.	40,048	15,595			
Merchants Ind.	62				
Metropolitan Cas.	304,373	174,496			
Metropolitan Life	6,108,310	4,208,968			
Michigan Life	28,815	8,714			
Monarch Life	258,977	100,887			
Motorists Mut.	106,384	16,155			
Mutual Benefit H. & A.	2,749,500	1,061,051			
National A. & H.	101,442	31,140			
National Cas.	265,910	101,769			
National L. & A.	708,221	270,236			
Natl. Masonic Prov.	115,364	35,005			
New Amst. Cas.	27,716	4,761			
N. American Life, Ill.	1,992	244			
North American Acc.	419,568	149,640			
Norwich Union Ind.	679	687			
Occidental Life	43,058	24,617			
Ocean Acc. & Guar.	26,540	7,527			
Ohio Cas.	90,125	12,842			

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Peace More Dangerous Than War in Accident Field

In the field of accidents, peace is 100% more dangerous than war, Robert W. Gardner, publications editor of the National Conservation Bureau of the Association of Casualty & Surety Executives, told the Virginia Safety Conference at Richmond.

Mr. Gardner said that in the period between Pearl Harbor and V-J Day, battle area deaths for American soldiers amounted to 255,000 while the death-by-accident total during the same period was 355,000. In the same period, 650,000 were wounded in war while 1 1/2 million Americans sustained permanent injuries through accidents in the U. S.

Referring to the fine safety record established by physically impaired workers, Mr. Gardner said that the impaired worker acquires the habit of safety. He termed habit the key to safety.

CHANGES IN CASUALTY FIELD

Rauschenbach Is Chicago Ocean Head

Charles C. Rauschenbach is to become manager of the central department at Chicago of Ocean Accident and resident vice-president of Columbia Casualty July 1 when Laurence C. Jones goes to New York as assistant U. S. manager.

Mr. Rauschenbach has been the assistant manager in Chicago five years and is a casualty insurance man of 32 years' standing. He is a man of executive ability and in addition has been thoroughly trained in the technicalities of casualty insurance.

Mr. Rauschenbach, a native of Baltimore, started in 1914 at the head office of Maryland Casualty. From the outset his assignment was in the compensation and liability department. His next connection was with the National Bureau of Casualty & Surety Underwriters, which he served both at Chicago and at the New York head office. His next move was to U. S. F. & G. at Baltimore and then for two years he was engaged in the brokerage business on his own account at New York and Baltimore.

Mr. Rauschenbach joined Ocean in 1926 and was at the home office for eight years until he was transferred to Chicago to take charge of the compensation and liability operations. He served in that capacity six years and was then advanced to assistant manager.

A. C. Mann to Des Moines for Ocean Accident

Alfred C. Mann has been appointed as regional supervisor in charge of the branch service office of Ocean Accident at Des Moines. This office has been without a manager for some time.

Mr. Mann is a graduate of University of Kansas and he joined Ocean Accident at the home office in 1940. He was put through a training course and later served as underwriter at Newark and then at Pittsburgh. He was in the navy during the war, saw much action and came out last November as a lieutenant. Since then he has been brushing up on the casualty business at the Ocean head office.

He is a grandson of Col. Homer B. Mann of the Mann, Barnum, Kerdolff & Welsh agency at Kansas City.

R. L. Clark Returns to Am. Auto to Handle Ill. Work

Raymond L. Clark has returned to American Automobile, with headquarters at Chicago, to be in charge of downstate Illinois operations. He had been with that company from 1935 to Jan. 1 of this year as special agent in the downstate field. For the past several months he has been with Manufacturers Casualty in the same territory. His earlier experience was with Hartford Accident.

Other Field Changes

Russell S. Chaloner, resident vice-president of American-Associated at Chicago, has rearranged the downstate Illinois and Chicago and Cook county field representation. Howard Thomas will assist Mr. Clark downstate. He formerly was connected with American Auto in the underwriting department at Chicago for several years, and before that had a number of years' insurance experience elsewhere. He returned to American-Associated recently from service in the marines.

Chester Grott and Blanch Campbell have resigned as field representatives in Cook county. That work has been taken over by Charles E. Peck and Francis J. Robinson. Mr. Peck formerly was a field man for the branch for several

years and came back recently from service. Mr. Robinson has been with American Auto for five years and has been in the downstate territory, from which he has been transferred.

The Cook county department remains under supervision of Edward F. Petro, supervisor of the agency department, who also has been given supervision of south side Chicago territory.

Sichol to N. Y. as Cont. Cas. Asst.

NEW YORK—W. R. Sichol, former assistant manager of the claim department, has been appointed assistant to J. H. Norton, resident vice-president of Continental Casualty in charge of the metropolitan New York department. Mr. Sichol was formerly with Standard Accident in its New York branch joining Continental last year.

Cockerell Succeeds D. L. Clark

Following the transfer of D. L. Clark, executive vice-president of Standart & Main of Denver, to San Francisco as assistant manager of the fidelity and

surety department of the Travelers, Robert H. Cockerell has taken over the casualty department of Standart & Main. Mr. Cockerell served as a captain in the medical corps with 21 months overseas.

Kurt Hitke & Co. Named Ill. State Agent of Keystone

Kurt Hitke & Co., Chicago agency, has been appointed Illinois state agent by Keystone Mutual Casualty of Pittsburgh, which has just been licensed in Illinois to write all casualty lines. The company now has branches and service offices in 14 states and the District of Columbia. Keystone issues nonassessable policies and reinsures its excess liability over \$5,000/10,000 limits against catastrophe losses and issues up to \$300,000 liability limit.

It is a multiple line casualty company and is an agency mutual writing no direct business but only that written by duly licensed agents and brokers.

New Kemper Group Officers

L. J. Bennett of Chicago has been elected second vice-president of Lum-

bermen's Mutual Casualty. A. J. Mayer or Philadelphia and R. C. Merritt of Chicago have been named second vice-presidents of Lumbermen's and American Motorists. D. H. McLaughlin of Boston has been appointed assistant secretary of the two companies.

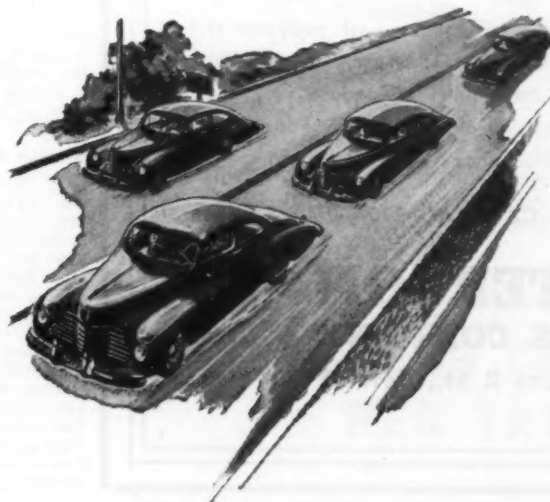
Martin Gets F. & D. at San Diego

Herbert Martin has been named general agent of Fidelity & Deposit at San Diego, Cal. He has added to his staff Edwin C. Jeffries, recently released as a navy lieutenant, who was formerly with Hardware Mutual in Chicago.

Travelers Wash., Pa. Changes

Addition of fidelity and surety lines at Seattle have been made by Travelers and Robert A. Driscoll, formerly field assistant at Los Angeles, has been appointed assistant manager in charge of those lines. Mr. Driscoll has been with Travelers for three years at Los Angeles and prior to that was in the business for several years in Long Beach.

William Waltz, Jr. will assist Mr. Driscoll. He served two years in the navy and before that spent 11 years



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with Travelers at San Francisco and Oakland in the cashier's department.

Headquarters of George W. Pierce, assistant casualty manager of Travelers at Pittsburgh have been changed to Johnstown, Pa.

Berenz Joins Atlantic Mutual

John G. Berenz on June 1 will join Atlantic Mutual Indemnity as head of its automobile underwriting department.

Mr. Berenz began his insurance career in 1923 with the brokerage firm of Flynn, Harrison & Conroy and since

1928 has been with Indemnity of North America, lately as head of its automobile department in New York.

Ely with Jones & Sons

R. B. Jones & Sons of Kansas City have appointed Lawrence Ely manager of the bond and burglary department on May 15. He has recently returned from three years in the navy as a lieutenant. He was formerly claims attorney for Central Mutual Casualty of Kansas City.

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CALIFORNIA IS ONE OF THE LARGEST WORKMEN'S COMPENSATION PREMIUM INCOME STATES IN THE COUNTRY. AS FOR MANY YEARS PAST, WE AGAIN LED ALL PRIVATE CARRIERS IN 1945 COMPENSATION VOLUME. OUR TOTAL "COMP" WRITINGS IN OUR HOME STATE WERE \$7,387,896.

PACIFIC EMPLOYERS

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Ohio A. & H. Assn. Names Nunamaker at Cincinnati

Nearly 100 members were on hand for the annual meeting of the Ohio Association of Accident & Health Underwriters at Cincinnati last week. H. H. Nunamaker, Columbian National, Cleveland, was elected president succeeding P. C. Rowland, Globe Casualty, Canton, who becomes chairman of the executive committee. W. R. Dignan, W. E. Lord Co., Cincinnati; Harold Swisher, Mutual Benefit H. & A., Columbus, and C. U. Pugh, Loyal Protective Life, Columbus, are vice-presidents. New members of the executive board are Mr. Rowland, chairman, Lloyd Feder, Reliance Life, Cleveland; Walter Watt, W. E. Watt Co., Cleveland, and W. A. Case, Inter-Ocean Casualty, Cincinnati. Homer Trantham, executive secretary and treasurer, was reelected. Mr. Trantham is an insurance lawyer of Columbus.

J. E. Harriman, general agent Illinois Bankers Life, Youngstown, spoke on "Planned Security." He noted several unhealthy aspects of the WMD bill and said that agents should be more active in helping prevent its passage.

In his presidential address Mr. Rowland noted that the Ohio association has shown a 106.2% gain in membership in the last eight months and now totals 11.9% of National association membership. He emphasized the necessity of strengthening local boards and organizing new ones wherever possible.

A brief outline of the Purdue course was given by Dr. George E. Davis, director of student affairs at the university.

Mueller Is Luncheon Speaker

E. H. Mueller, managing director of the National association, spoke at the luncheon and urged attendance at the Denver meeting. Mr. Mueller declared that the resolution passed by the H. & A. Conference endorsing the association is one of the greatest strides taken for the association since its founding. It should make membership drives more easy and encourage agents to be more active in association work, he said.

The afternoon was given over to a sales congress led off by Travis T. Wallace, president Great American Reserve, who gave a fascinating outline of how to present a canned sales talk. He demonstrated a detailed method used by his

company and went through an entire presentation to the great delight of his audience.

"Streamlining Sales Presentation" was the subject of C. C. Inman, vice-president and agency manager Illinois Mutual Casualty. He asserted that the spirit of rendering service is absolutely necessary and the agent must believe that his business and his company is the most important in the world, and if he doesn't he should get out.

Mr. Inman also went through a sales presentation using a visual sales aid, stating that such a method is quicker, more effective, and satisfies the prospect because he sees and knows what he is getting.

William Dignan, W. E. Lord agency, Cincinnati, spoke on "Five Steps to Improve Production."

Mr. Dignan commented that selling should be easier now because of the difficulties a man experiences in accumulating funds because of high taxes and low interest on investments.

Mrs. Ethel Smith, Cleveland, Ohio regional manager of Great Northern Life, then gave a talk on personality accents, saying that the agent must make himself an outstanding individual if he is to be remembered by his clients above the many other salesmen encountered.

Mayor Stewart of Cincinnati gave an address at the banquet.

H. & A. Conference Men, Marooned in Cincinnati, Use Devious Means to Get Away

Nearly all of those who remained for the final session of the Health & Accident Underwriters Conference in Cincinnati were marooned there by the railroad strike and had to use varied and devious methods of getting away.

The Baltimore & Ohio ran a train out of Cincinnati for the east and some of those who were headed that way were able to get on it. One party of six paid \$25 each for a taxicab trip to Chicago.

Some of the company men called up their general agents or managers at various points along the line and arranged with them for automobile transportation on a relay basis.

The headquarters staff returned to Chicago by automobile Friday and with the resumption of rail traffic, Harold R. Gordon, managing director, left Sunday for an extended Pacific Coast trip.

Ohio Department Revokes License of Northern Mutual After 2 Weeks Hearing

COLUMBUS—Superintendent Dressel has canceled and revoked the license of Northern Mutual Casualty in Ohio. This followed a hearing that continued more than two weeks and was marked at times by much bitterness.

Mr. Dressel said he found a "deplorable condition and total disregard of policyholders' interests" in disposing of claims and complaints, which resulted in an extremely low loss ratio, 7.5; a total disregard of inquiries from the department; extremely heavy financial losses affecting surplus and financial condition; placing of Bankers Life & Casualty officials and employees in responsible and managerial positions of Northern Mutual, which resulted in "excess financial loss;" total disregard of sound accounting practices, and a percentage of underwriting expense in excess of the 40% permitted by Ohio laws.

Northern Mutual, according to Mr. Dressel, represented to the department that a production contract with officers of the company, Agency Director Plan, Inc., would be canceled when, in fact, a substitute commission contract was in effect, Northern Mutual Casualty Company Production Contract, the contract being contrary to the Ohio laws.



In the course of his order Mr. Dressel said L. O. Napier and M. A. Napier husband and wife, were president and secretary, respectively, of Northern Mutual. They were the owners of the stock Agency Director Plan, Inc., and in 1945 sold the stock to Bankers Life & Casualty for \$800,000.

The agency agreement with Northern Mutual was canceled April 30, 1945, at the request of the department.

Northern Mutual entered into an excess loss agreement with Bankers under the terms of which Northern Mutual during 1945 paid \$560,511, receiving a credit of \$29,136. The net payment to Bankers amounted to \$541,374, based upon a premium of 25% of premiums collected by Northern for reinsurance of losses in excess of a loss ratio of 20% when the 1944 loss ratio of Northern was 23.58 and in 1945 was 20.24.

Bankers Life & Casualty has applied for license in Ohio.

Personal A. & H. Bureau to Meet in September

The Bureau of Personal Accident & Health Underwriters annual meeting will be held Sept. 30-Oct. 2, at Stockbridge, Mass. Preliminary plans in addition to business sessions and committee reports, include an underwriting forum and discussion with specialists on accident and health underwriting. An insurance medical authority will discuss physical and mental diseases resulting from the war. A representative field man will give the agent's viewpoint of underwriting and coverages, and a representative claim man will discuss claim service as it affects policyholder and agent.

Neil H. Brown, Hartford Accident, is chairman of the convention committee.

List Speakers for Managers Session at Denver Meeting

Robert J. Barrett, Occidental Life, Kansas City, chairman of the general

agents and managers committee of the National Association of Accident & Health Underwriters, has announced the speakers for the managers' session at the annual meeting of the National association in Denver.

They include: D. C. Stephens, Security Life & Accident, Salt Lake City, on "Recruiting"; Harry Putnam, American Hospital & Life, "Training"; Emerson Davis, Inter-Ocean Casualty, Dallas, "Building an Agency Through the Medium of Accident and Health Insurance"; O. K. Johnson, Business Men's Assurance, Albuquerque, N. M., "Financing," and Carter Bryant, Pacific Mutual Life, Denver, "Supervision of Experienced Men."

Woodmen Acc. Wis. Appointments

Woodmen Accident has appointed Robert Kenney as district manager at La Crosse, Wis., and Eugene J. Murray district manager at Fond du Lac.

Casebeer A. & H. Manager

Glen R. Casebeer has become manager of the accident and health department in the Chicago office of American Casualty. Mr. Casebeer started in A. & H. in 1938 as a personal producer with Continental Casualty and rose to agency supervisor in the disability division of that company.

The work of inspection companies was described at a luncheon meeting of the Accident & Health Underwriters of Milwaukee by Edward J. Fisher, manager for Retail Credit Co.

ASSOCIATIONS

Bank Robberies Reduced

LOS ANGELES—James Ellsworth, assistant special agent in charge of the F. B. I. office in Los Angeles, told the Casualty Insurance Adjusters Association of California that in 1933, the peak year of bank robberies, the total in the United States was 606 and that the 1945 total was 51. Of this latter number 25 were in Los Angeles and 21 of the 25 have been solved.

It was announced that the industrial accident commission now is granting rehearings in workmen's compensation cases where complaint has been filed in connection with Section 4661, because of an appeal now pending on the interpretation of the section.

Washington Group Has Outing

The Casualty Insurance Association of Washington held its first post-war field day at Olympic View Golf Club, with a golf tournament, cocktail hour and banquet. J. R. MacKay, Fireman's Fund Indemnity, president, was toastmaster and awarded golf prizes. Among the winners were R. G. Clarke, Glens Fall Indemnity, low gross; Sterling Stapp, Travelers, low net, and William Shiels, Jr., Travelers, high gross.

Ohio Club Plans Field Day

The Casualty & Surety Field Club of Ohio will hold its annual outing June 7 at the Wyandot Country Club in Columbus. Hugh Donovan of the American-Associated companies is chairman of arrangements.

Columbus Club Outing June 14

The Columbus Claims Club will hold its annual "Whoop It Up" at the Wyandot Country Club June 14.

K. F. Schenck to Omaha Agency

Kenneth F. Schenck, who has been with Zurich at Chicago since 1940, has resigned to become associated with the Arthur A. Westergard agency, Omaha. Prior to joining Zurich, Mr. Schenck was with U. S. F. & G. 11 years at Des Moines and Omaha.



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Securities Forgery Cover Added to Brokers Bond

Bond men see an opportunity to reduce the number of contracts held by an insured in the broadening of the brokers blanket bond form No. 14 to provide optional forged securities coverage—insuring clause E, effective May 27.

This is the same coverage which has been available for some time under the bankers blanket bond, forms No. 2 and No. 24. Until this recent change, securities coverage for investment bankers and stock brokers was provided under separate contracts—securities forms, 3, 4, and the bankers forgery bond, lenders form.

Modify Loan Exclusion

Whenever insuring clause E is added to the form 14, the loan exclusion clause has been broadened to provide that it does not apply to losses covered by clause D or clause E, nor to losses covered under the fidelity insuring clause A.

As yet the Towner Rating Bureau has not announced whether the rating plan for clause E would be the same as applied to bankers blanket bonds or if a new method has been devised to apply only to the form 14.

Clause E covers any loss sustained in the regular course of business through having purchased, accepted, received, sold or delivered or guaranteed in writing or witnessed any signatures upon, or otherwise acted upon any securities, documents or other written instruments which have been raised or otherwise altered or lost or stolen, or which prove to have been counterfeited or forged as to the name of any maker, drawer, issuer, endorser, assignor, transfer agent or registrar, acceptor, surety or guarantor, but excludes all

losses which are covered under clause D.

Lewis Speaks in Seattle

Martin W. Lewis, president of the Towner Rating Bureau, will speak at a special luncheon meeting of the Surety Underwriters Association of Seattle June 6. He will be in the northwest to attend the annual convention of the National Association of Insurance Commissioners at Portland. Preceding the luncheon meeting there will be a one-hour closed session for members, at which Mr. Lewis will be present.

Calls for Livestock Sale Bond

LANSING, MICH.—Attorney General Dethmers has interpreted a 1945 legislative act requiring the bonding of persons conducting livestock auctions as intended to mean that such a bond shall be furnished for each location where such auctions are held. The bonds might range from \$1,500 to \$10,000, at the commissioner's discretion to protect persons selling or consigning livestock to such a licensed dealer or his agent.

PERSONALS

A group of about 40 close friends of **Laurence C. Jones** gathered last Friday evening to express their good wishes to him as the time approaches when he leaves Chicago to become assistant U. S. manager of Ocean Accident. He is presently manager of the central department at Chicago and he takes his new position July 1. One of the guests was Henry Collins, U. S. manager of Ocean, and he spoke in appreciation of the honor guest. The gathering was arranged by D. W. Elliott, head of the claim department of Bankers Indemnity, and Edgar O. Stofels, local agent. The group included a number of managers of other companies, agents, attorneys, doctors and

some of Mr. Jones' associates at Ocean. Mr. Jones was presented with a cigarette case and lighter.

Wallace D. Rhorer of San Francisco, for 35 years with U. S. F. & G. and assistant superintendent of claims for many years, is retiring June 1. He plans to live on his ranch at Colomaba, Cal. Mr. Rhorer's father for many years was with North British, his brother George, Jr., formerly was a member of the Richards & Co. general agency and now is retired, while his brother Milton is with the Southwestern General Agency at Phoenix, Ariz.

Walter S. Hobat, district sales manager for American Mutual Liability in Minneapolis, is a candidate for register of deeds of Hennepin county in the forthcoming election.

J. S. Pieringer, Jr., assistant secretary of Commercial Standard, has been elected president of the Fort Worth chapter of the National Office Management Association. He has served as casualty director of the Insurance Accounting & Statistical Association for the past two years.

DEATHS

H. H. Cleaveland, Sr., Dies in Florida

Harry H. Cleaveland, Sr., of the H. H. Cleaveland agency at Rock Island and chairman of Bituminous Casualty and Bituminous F. & M., died at his winter place at Coral Gables, Fla. His condition had been precarious for the past several weeks. He was 76 years of age.

Mr. Cleaveland, just last fall, gave up the presidency of Bituminous Casualty to become chairman, his son H. H. Cleaveland, Jr., becoming president of the two companies at that time. He continued as senior member of the firm that manages the companies, consisting of the two Cleavelands and F. B. White, Mr. Cleaveland's son-in-law.

The H. H. Cleaveland agency was founded in 1868 by Mr. Cleaveland's maternal grandfather.

Mr. Cleaveland reorganized the agency in 1890. He was a prominent figure in Illinois affairs and served as state director of the department of public works and buildings from 1929 to 1933. He was grand commander of the Knights Templar of Illinois in 1910.

Mr. Cleaveland served as chairman of Bituminous Casualty from the time of its incorporation in 1928 until 1936 when President H. W. Cozad, then president, died.

Mr. Cleaveland's father, a civil war officer, was stationed at the Rock Island Arsenal and settled there after the war. His wife's father, William H. Hayes, had started a local agency and they formed a partnership known as Hayes & Cleaveland. The elder Mr. Cleaveland organized and operated mutual fire companies to handle lumber risks. He lived into his 90's and kept a desk in his son's agency.

Harry Hayes Cleaveland, Sr., organized American National, a fire company, in 1907 and served as president until it was reinsured in 1911. In 1907 in company with H. W. Cozad, he formed the firm of Cleaveland & Cozad to operate Bituminous Casualty Exchange, a reciprocal writing coal mine business.

In 1928 Bituminous Casualty, the stock company, was organized to take over the business of the reciprocal.

Mr. Cleaveland was born at Rock Island in 1869 and graduated at Knox

College, Galesburg, Ill. In 1940 Knox conferred an LL.D. degree upon him.

Mr. Cleaveland was stricken with pneumonia at his winter place at Coral Gables and died of the ensuing complications. He suffered a very severe illness about 15 years ago but rallied and was able to continue active until his final illness.

Offices of Bituminous Casualty throughout the country were closed Monday, which was the day of the funeral. All of the branches had representatives at the rites.

Mr. Cleaveland had a hand in many of the civic and business enterprises of Rock Island. He was a business general and a business builder.

Adelbert R. Keller, 66, formerly with State Automobile Mutual and American States, died at his home in Columbia after an illness of six weeks.

Harry E. Rodgers, 67, Grand Rapids attorney and for 22 years associated with Preferred Auto, died there. At the time of his death he was its vice-president. Mr. Rodgers served on the insurance committee of the American Bar Association.

Lee S. Chaney, 68, a salesman in Hardware Mutual Casualty, died at Kansas City. He was formerly sales manager for the Loose-Wiles Biscuit Co.

George Higgins, manager of radio station KSO of Des Moines, told the Des Moines Casualty & Surety Club plans for the Iowa Centennial.

WANT ADS

Claims Manager needed by California Insurance Company. Must be thoroughly experienced in all lines of Casualty Insurance and have had recent administrative experience. In reply give former employers, brief resume of experience, salary expected, and date of availability. All replies will be kept in strict confidence. **NATIONAL AUTOMOBILE & CASUALTY INSURANCE CO., 725 S. Spring St., Los Angeles 55, Calif.**

CASUALTY INSURANCE COMPANIES
Payroll auditor, insurance company trained and experienced. Available for your payroll needs in the state of Florida. Salary on basis. Address G-28, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

ADJUSTER WANTED
POSITION open for man having several years experience adjusting auto Personal Injury claims Chicago and adjacent areas. Collision experience also desirable. Preferred. State qualifications, background and salary desired. Replies held confidential. Address Box G-3, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Branch Office of a leading casualty company wants automobile and casualty underwriter. Give experience, age, education, references and salary expected. Information furnished confidential. P.O. Box 1437, Denver, Colorado.

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Permanent position with large, progressive Chicago agency for experienced man. Write G-3, The National Underwriter, 175 W. Jackson Blvd., Chicago.

Large established insurance agency Omaha, Nebraska is desirous of securing a General Agents contract, especially Automobile Insurance. Write G-19, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

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Long Struggle Nears End

(CONTINUED FROM PAGE 16)

Insurers and rating bureaus are prohibited from dealing with an advisory organization which is in violation of a cease and desist order issued by the commissioner.

Section 11, dealing with joint underwriting or joint reinsurance, provides, in substance, that all joint underwriting activities are subject to all the provisions of the act whereas joint reinsurance operations are subject only to sections 12 and 16 to 20 of the casualty bill and sections 12 and 15-19 of the fire and marine bill. The reason for this variation in treatment is that this bill does not contemplate that reinsurance rates shall be regulated.

It may well be that the activities of certain groups, associations or other organizations of insurers engaged in joint underwriting may be conducted in such a way as to fall under section 10 and if that occurs they will necessarily have to comply with the provisions of that section. If their operations fall short of the activities enumerated in section 10, they will nevertheless be subject to the general regulatory provisions set forth in section 11, including being subject to cease and desist orders where their activities and practices are unfair, unreasonable or otherwise inconsistent with the provisions of this act.

Power of Examination

Under section 12 the commissioner is empowered to examine rating organizations, advisory organizations and any group, association or other organization engaged in joint underwriting or joint reinsurance.

Attention is directed to the footnote in the bill which points out the advisability of incorporating in any statute a provision making reports of examinations conducted under this section.

Section 13, covering rate administration, provides that the commissioner shall promulgate reasonable rules and statistical plans, reasonably adapted to each of the rating systems on file with him, that such rules and plans may also provide for the recording and reporting of expense experience items which are especially applicable to the state and are not susceptible of determination by a prorating of countrywide expense experience. No insurer shall be required to record or report its loss experience on a classification basis that is inconsistent with the rating system filed by it.

This section also provides for the commissioner's promulgating rules for the interchange of data necessary for the application of rating plans; and sanctions the exchanging of information and experience among insurers and rating organizations.

Section 14, false or misleading information, is designed to put teeth into the law in order to insure accuracy. At the same time the drafters employed language which would not subject unintentional violators to penalties.

Assigned risk plans, treated in section 15, may be handled on a cooperative basis. A footnote calls to the attention of legislative bodies the necessity of considering all relevant factors in connection with assigned risk plans.

Section 16, penalties, draws a distinction between willful violations and violations in which intention could not be proved. The penalty of suspension is also provided for those who fail to comply with an order of the commissioner. Both insurers and organizations are protected against arbitrary or capricious action on the part of the commissioner by appropriate provisions for hearing and judicial review.

Section 17 covers hearing procedure and judicial review. In the Jan. 18 draft the committee undertook to prescribe the scope of judicial review. In this draft the scope of the judicial review has been left open. The committee decided that such scope was a matter to be determined by each state in accordance with its policy of dealing with the review of determinations made by administrative agencies.

The fire and marine bill follows the same general pattern as the casualty and surety measure, many sections being identical.

Specifically Rated Risks

Changes peculiar to the fire insurance business have been made in the rate-making section. The rate filing section is in some respects similar to that of the casualty and surety bill, dealing specifically rated risks which do not fit in the normal rating pattern.

The rating organization section authorizes the operation of a "stamping office."

That portion of the casualty rating bill which deals with appeals by minorities in connection with systems of experience provisions is omitted from the fire, marine and inland marine rate regulatory bill. This is due to a difference in the operating methods of the businesses.

The subcommittee is composed of Harrington, Massachusetts, chairman; Johnson, Minnesota, and Dineen New York. They spent a total of 56 days in meetings exclusive of time used for research and study and for traveling to and from meetings.

Uniform Accounting Law Should Aid

(CONTINUED FROM PAGE 17)

tion work in the commercial fidelity field cannot be standardized to the same degree as in the bank field but he listed a number of precautions such as: rearrange duties of the staff so that no employee is acting in a dual capacity; restrict the manner of handling checks, including countersignatures of outgoing checks and endorsement "for deposit only" of incoming checks; provide for joint access to the safe deposit box to safeguard securities; require verification of accounts receivable by direct billing to customers—not through salesmen; make frequent check of incoming cash against daily bank deposit; establish a reasonable running merchandise inventory plan with frequent test checks with actual stock on hand by employees other than those handling the merchandise; have books audited periodically by an outside certified public accountant.

Loss prevention in the public official field follows somewhat the same course as for commercial fidelity. Special precautions peculiar to public official field are protecting the principal and surety against the depository hazard; bonding deputies in proper form and in adequate amounts where the principal is responsible for their acts; safeguarding securities, with joint access to the vault or safe deposit box; cooperation with the municipality to make certain the principal appreciates the scope and responsibilities of his duties and in some cases keeping in constant touch with the situation; periodic checking to be sure proper audits are made and that they are satisfactory.

In connection with fiduciary bonds Mr. Lafrentz listed the following precautions: investigating applicant's moral standing and ability; insisting on or encouraging the retention of a qualified attorney; exercising joint control over assets to insure correct handling; arranging for joint control by co-fiduciaries; providing in unusual cases that a correct program of action is contemplated to comply with law and safeguard the estate; maintaining personnel at the home office and in the field to review cases periodically to make sure estates are being handled in accordance with law; urging prompt compliance with law respecting the filing of inventories, accountings and distribution; suggesting various actions, usually in cooperation with the attorney, to safeguard the estate and comply with the law.

New Menominee Coverage Plan

MENOMINEE, MICH.—On recommendation of its insurance committee, the Menominee city council voted to place workmen's compensation insurance on city employees with Manufacturers Casualty through the Juttner agency. The premium will be prorated among all local agencies. The new coverage will cost \$2,500 annually, against \$3,000 under a former arrangement. The saving of \$500 will be used to purchase public liability covering accidents on streets, sidewalks and other public places.

Return to Field for N.W. Mutual

Hubert O'Donnell and John Goodwin, Northwestern Mutual Fire, have returned to their field work after finishing intensive refresher courses. Both men recently returned from war service. Mr. O'Donnell has been assigned to Alabama and Mississippi. Mr. Goodwin now covers Oklahoma and Arkansas.

Lloyds Brokers in N. Y.

E. S. Hogg and Leslie Bigg of the London Lloyds brokerage firm of Hogg, Robinson, Capel-Cure were in New this week conferring with Kenneth Murchison & Co. agency, Dallas, and Reid Cloon, manager of R. B. Jones & Sons, Chicago.

Berge, Brewster N. E. Speakers

BOSTON—The New England Advisory Board, meeting here, completed the program for the annual summer convention of the New England Associations of Insurance Agents at Poland Spring, Me., June 27-29.

The convention will open the evening of June 27 with a dinner at which greetings will be extended by Commissioner Perkins of Maine and N.A.I.A. President Hunter Brown of Pensacola. An address, "Today Is Different," will be delivered by James Lee Ellenwood, New York state secretary Y.M.C.A.

The Jan. 28 meeting will be opened with an address by Hunter Brown. The principal address will be given by Wendell Berge, assistant U. S. Attorney General. He will be followed by U. S. Senator Brewster of Maine, who will discuss the Wagner-Murray-Dingell bill.

That afternoon will be devoted to sports, bridge, a formal dinner in the evening followed by presentation of prizes and dancing.

The closing day, official reports will be presented by the chairman and secretary. There will be a discussion of "Agency Income, Expense and Profit" at a forum led by David A. North of New Haven, former National association president; another forum on "Automobile Liability Rating Associations" led by Howard A. Allen, Burlington, Vt., and a final forum on "extended coverage, including wave wash, binding periods and deductibles" led by Henry L. Bailey, Jr., New London.

Registrations for the convention have already reached 418.

Impressive Fare Offered at Kansas Short Course

An impressive fare is offered for the third short course in fire, casualty and marine sponsored by the Kansas Association of Insurance Agents and University of Kansas extension division to be held at K.U. June 25-27. The agents association will collect a registration fee of \$5 to help defray part of the expense, but the university requires no fee. Housing facilities are being arranged at a cost not to exceed \$1 per night. Meals may be secured at the university cafeteria.

One of the new features in the program is the course in agency profit planning. This is planned especially for the agents themselves, rather than for employees of agencies. Oscar Beling, Royal-Liverpool, is in charge of this course. There are two separate sections on the first two days and three separate sections on the third day.

The instructors include:

J. A. Trovillo, Underwriters Laboratories; George G. Traver, National Board; Kermit Hill, Springfield Fire & Marine; A. C. Ambrosio, Wheeler-Kelley-Hagerty, Wichita; Lynn Bellison and Clyde Kennedy, Aero Underwriters, Kansas City; Mr. Beling; P. J. Leen, Fireman's Fund, Chicago; Charles T. Nichols, Springfield F. & M., Great Bend, Kan.; Harry W. Hoffmann, Phoenix Indemnity, Lawrence, Kan.; Herbert A. Hedges, Equitable Life of Iowa, Kansas City; E. C. Buehler, University of Kansas; A. C. Gute, American Appraisal Co., Milwaukee; Alfred Seelye, University of Kansas; Guy V. Keeler, extension division, and George H. Sauer, head football coach, K.U.

Texas Committees Named

Will M. Keller, Palestine, president Texas Association of Insurance Agents, has announced the following committee appointments. Chairmen are: Alphonse Ragland, Jr., Dallas; casualty, Hollis Ranvers, Houston; fidelity and surety, Travis D. Bailey, San Antonio; marine, George N. Dwyer, Wichita Falls; rates and forms, Chas. T. Smelker, Beaumont.

R. W. Miles of Secured F. & M., Indianapolis, was injured in an automobile accident near Winchester, Ind. After several days in the local hospital he has now returned to his home at Indianapolis.

Arkansas Fire Rate Cut Reduces Premiums \$265,000

LITTLE ROCK—Commissioner McKenzie has ordered annual net reduction in fire premiums of \$265,000 as a result of the experience over a 5-year stretch.

Fire rates are reviewed and readjusted each year on the experience of the preceding five year period, as of Dec. 31. During the period 1941-1945, inclusive, earned premiums of stock fire companies were \$32,152,348 with incurred losses and expenses of \$29,461,585, for an underwriting profit of \$2,690,790. A 5% profit is allowed and the excess earnings during the above period were \$1,083,180 which Mr. McKenzie, according to statute, has ordered applied in rate reductions.

An annual reduction was ordered of approximately \$265,000 to be applied on dwellings and \$43,000 on the fire coverage on commercial vehicles. The reduction on dwellings will be effective as of May 1, and on commercial motor vehicles as of March 18.

Due to the unprofitable experience on protected brick mercantile buildings, stock contained in such buildings and allied classes for the preceding five years, the 5% credit which was ordered on these classes several years ago were eliminated, thereby increasing the premiums on this class approximately \$50,000.

Home Office Building Sold

The Insurance Building, home office of Rhode Island, has been purchased from Towne Street, Inc. by the Blue Cross of Rhode Island. Rhode Island will continue to occupy part of the building but is taking less space due to the transfer of the inland marine department to New York and the brokerage department to Philadelphia.

Farr Essex County President

NEWARK—Millard Farr has been elected president of the Essex County Insurance Agents Association, succeeding Russell E. Stevens. Vice-president, Joel P. Martin; secretary, Richard A. Wyckoff; treasurer, F. George Askin; executive committee, Russell E. Stevens, chairman; Charles J. O'Connor, David Binder, Arthur Reeve, Jr., and Bernard H. Lowy. The annual outing is scheduled for September.

Publish Hail Forum Discussion

The 1946 hail application, which was thoroughly analyzed in a panel discussion at the Wichita hail adjusters school of instructions in April, has been printed in an 18-page pamphlet at the request of the Western Hail & Adjustment Association from which copies may be secured.

Rains Help Hail Business

MINNEAPOLIS—Widespread rains have put new life into crops in this territory and also into the hail writing business. Thousands of farmers who held off placing hail coverage until crop conditions improved now are buying the insurance more freely and the next two weeks are expected to develop peak volume in the hail line. Scattered claims have begun coming in from western Minnesota.

To Set Kan. Convention Date

The executive committee of the Kansas Association of Insurance Agents is to meet in Topeka June 24, just prior to the insurance short course at Kansas University. Reports of the N.A.I.A. mid-year will be given by President R. L. Budge, St. John; Secretary Nesbitt Fink, Topeka, and Victor G. Henry, Wichita, state national director. Dates and place for the Kansas annual meeting are to be set.

Frank Florack, Home fieldman, is ill in the Methodist Hospital at Indianapolis.

INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Milwaukee Agent Completes 60 Years in Insurance

MILWAUKEE—The 60th anniversary of Emil P. Hunkel in the local agency business is being observed this month. Mr. Hunkel operates under the firm name of G. P. Hunkel & Son, the title adopted in 1890 when his father made him a partner in the business. The agency was established in 1876. Mr. Hunkel has lived in Milwaukee all his life. He first entered the agency as a clerk.

At the monthly meeting of the Milwaukee Board, President T. Z. Clayton congratulated Mr. Hunkel for his life of service in the insurance business, and the members present also congratulated him on his notable service to the insurance-buying public. Mr. Hunkel for many years has been one of the mainstays of the board. In 1909 he was elected treasurer and served eight consecutive terms. Later he served for many years as secretary, until succeeded by J. G. Grundle.

Moline Agents Meet with Bankers on Auto Plan

A dinner meeting of the Moline-East Moline Insurance Association was attended recently by 25 agents and a number of bank executives who discussed the bank-agent auto finance plan. J. B. Oakleaf was chairman of the meeting.

The insurance side of the plan was presented by Wiley Burden, assistant western manager of Hartford Fire, Chicago. Harold C. Chapman, cashier of the State Bank of East Moline, related his experience in 10 years of automobile financing.

There was much discussion as to what action bank and agent should take to keep the financing and insuring of new cars in their hands. It was agreed that the banks should appoint a committee to develop a uniform plan to present to the agents, that the agents, in turn, can offer to prospective automobile purchasers, showing the advantages of financing their cars with a local bank.

One banker with 10 years' experience with a large finance company pointed out that it has been the practice of insurance companies owned by finance companies to permit their dealers to do the repair work necessary in claims involving their customers' cars. He stressed the importance of companies and agents making some arrangement whereby these dealers will not lose this business to which they feel they are rightfully entitled. During normal times, the banker said the profit on sale of new cars is extremely small and a dealer has to depend in a large measure upon repair jobs to stay in business.

Three Kan. Educational Meetings

The Wellington Board was host at an educational meeting of zone 6 of the Kansas Association of Insurance

agents composed of Cowley-Sumner county agents, with a discussion of "Automobile Liability" and Robert Morrison, Hartford Accident special agent, Kansas City, as leader. Butler county agents, Zone 6, were guests of the El Dorado Board at an educational meeting with George Bacon, president El Dorado Board, in charge. The new 1943 New York standard policy was discussed by a panel of C. J. Wintrol, Royal-Liverpool; E. P. Janousek, Security; H. R. Joyce, National Union, and M. W. Whitelaw, Western Adjustment, all of Wichita.

The Wichita Association of Insurance Agents also held an educational meeting with panel discussion of dwelling form 49, C. J. Wintrol, Royal-Liverpool, leader, assisted by M. W. Whitelaw, manager Western Adjustment and H. R. Joyce, National Union.

Galloway Speaks at Detroit

Stuart Galloway, assistant general counsel of Fidelity & Deposit, will address the Detroit Association of Insurance Agents at a luncheon on June 5. He will treat the effects of PL 15 and proposed state insurance regulations.

2 Address Mo. Valley Fire Chiefs

Among speakers at the annual meeting of the Missouri Valley Association of Fire Chiefs in Wichita Monday and Tuesday were F. E. Carson, engineer Underwriters Grain Association, Chicago, on "Grain Storage" and R. D. MacDaniel, vice-president Grain Dealers National, Indianapolis, on "Electrical Inspections."

Lodge Trip Is Contest Prize

Five winning producers in a production contest for 1946, agents of Youngberg-Carlson agency of Chicago, enjoyed a four-day outing at the Baackes lodge of Arthur C. Youngberg near Sayner, Wis. First place in the contest was won by Arthur V. Mooney. Four others who enjoyed the fishing, yachting and relaxation of the lodge were: Otto S. Peterson, Howard Chandler, Bernard E. Lindquist, and Paul K. Ayres.

Kansas Fire Marshal Returns

Fred A. Werbe, Kansas fire marshal for the last four years, and former assistant state director of the S.W.I.S. program, has resigned to permit former Fire Marshal Clyde Latchem, who has been an officer in the army, to resume his place.

NEWS BRIEFS

Jule M. Hannaford, Jr., resident manager of Marsh & McLennan at St. Paul, has been reelected treasurer of the Episcopal diocese of Minnesota. He also has been named a director of the St. Paul Community chest, other directors being A. B. Jackson, vice-president St. Paul Fire & Marine, and T. A. Phillips, president Minnesota Mutual Life.

John D. Pearson, Indiana commissioner, addressed the Kiwanis Club of Peru, Ind., on the effect of the S. E. U. A. decision and public law 15.

John McCreary, formerly field man for American Automobile, has entered the local agency business as vice-president of the Herman C. Wolff Co., Indianapolis.

Bob Charlton of the Charlton Agency, president of the Insurance Board, Lawrence, Kans., has recovered from a long attack of malaria and now will make arrangements for the annual short course of the Kansas Association of

Insurance Agents at Kansas University, June 25-27.

Paul T. Tobey, Jr., has joined his father, Paul T. Tobey, in his agency at Waupun, Wis. The younger Tobey, who has completed the accident and health course at Purdue University and six months in the field, will specialize in that line.

Cecil Warford of the Kenneth May agency was elected president of the Insurance Women of Des Moines at the annual meeting. Arlene Jonda, and Beryl Oaks are vice-presidents; Helen Davidson and LaVerne Phetteplace, secretaries.

Miss Warford was also named delegate to the national meeting at Atlanta.

New officers of the **Topeka Association of Insurance Women** to be installed June 5 at a dinner meeting include: President, Betty Smith, Miller-Studebaker agency; vice-president, Virginia Taylor, Meade Co.; secretary, Loisjo Cope, Meade Co.; treasurer, Helen Brotherton, Blakely & Co. On May 19 a picnic breakfast was held at Lake Shawnee.

The **Moline-East Moline Association of Insurance Women** has elected Mrs. Cleone Pierson of the Becker Insurance Agency president. Miss Dorothy Schuder, Neuwirk agency, is vice-president; Miss Harriett Johnston, Oakleaf agency, secretary.

IN THE SOUTHERN STATES

Plan Testimonial for Col. Bill Thompson

William Thompson, 83, Dallas attorney, often referred to as "dean of insurance counselors," who has been legal representative in the southwest for fire companies since 1890, will be honored at a testimonial dinner in Dallas, June 24.



Wm. Thompson

Old-timers, close friends and associates, will be given priorities for tickets as the hotel facilities are limited to 400. The sponsoring groups will be the Texas Association of Insurance Agents, Dallas Insurance Agents Association, Association of Texas Fire & Casualty Executives, Texas Association of Managing General Agents and Texas Insurance Advisory Association.

Mr. Thompson, generally known as "Colonel Bill," was born in Austin county, Tex., in 1862, his parents having moved to Texas from North Carolina in 1860. He was graduated from the Brenham high school in 1878 and in 1883 he became principal of that school. A year later he moved to Dallas and engaged in the school furniture and supply business, sold school books and read law. In 1886, he entered the law department of the University of Texas and was graduated in 1887.

Colonel Bill had several law partners and at times practiced alone. He headed the firm of Thompson, Knight, Baker & Harris, which was formed in 1914, and which was the predecessor of the present firm of Thompson, Knight, Harris, Wright & Weisberg. Two sons, William Carothers and Harold Frederick, are members of the legal firm headed by their father.

Richard H. McLarry, past president of the Texas and of the Dallas associations, will be toastmaster at the banquet which, according to the invitations, "will not be a wearisome or commonplace affair but one of fun, good fellowship and dignified entertainment." Among the honored guests who will sit at the head table along with Colonel Bill and his two sons, will be: Denny D. McLarry, M. G. Jarreau, Percy Marshall, John Gibbons, A. F. Pillet, Fritz D. Cochran, George M. Easley, R. Sid Graham, O. F. Grover, Clifton J. Wykoff, Charles F. Thomas and R. D. Coughanour, Sr.

All invited guests and insurance men generally are asked to write congratulatory letters to Mr. Thompson and these will be bound and presented to the honoree at the banquet. The insurance periodical containing stories about the affair also will be bound.

Alfonso Johnson, manager of the Dallas Insurance Agents Association, is

general chairman of the testimonial dinner, with R. B. Cousins, Jr., Austin, vice-chairman, and Willard Crotty of the J. W. Lindsley & Co. agency, Dallas, secretary-treasurer.

Arkansas Bureau Tells Rule Changes

LITTLE ROCK—The Arkansas Fire Prevention Bureau has announced a number of changes in the rule book, the principal one being the allowance of credits in rates on blanket policies which are written with the 80% contribution clause and distribution average clauses attached. Heretofore, attachment of these clauses was mandatory, with no credit in the rate given. Under the old rule, only policies written with the 90% contribution clause and the distribution average clause received credits based on the 80% contribution clause scale. The new schedule provides that where the 90% clause and distribution average provision are used the rate shall receive the regular 90% clause credits.

Although the bureau has permitted the practice for some time by use of its "church form" 526 of April, 1945, the rule book now specifically permits the entire contents of church buildings, when occupied exclusively as such, to be covered under the building item and at the building rate.

Improvements and Betterments

The rules on improvements and betterments have been clarified by provision that when the same are covered jointly to owner and tenant rates and rules applicable to the building apply. When covered under other conditions, improvements and betterments must be written at the highest contents rate applying subject to term rules applicable to furniture and fixtures. Under blanket rules, improvements and betterments may be blanketed with furniture and fixtures.

Changes under the builders risk section of the rule book provide that dwellings and related classes may be written under the bureau's builders risk specific form 521, at the regular fire and extended coverage rates applying to the completed dwelling. Most builders' risks on dwellings in Arkansas, however, when in the name of the owner, are written on the regular dwelling form 578, with special note of permission to complete and occupy, and the new rule simply gives a little broader alternative coverage by making form 521 applicable to dwellings.

Another change now permits the writing of pro rata term insurance or "annual budget" policies to all risks eligible for term treatment. Previously, this was limited to state, county, city, and school properties. The bureau has issued a new form, "pro rata term insurance endorsement" 210, to be used in this connection. This change is understood to have been due largely to the recent filing in Arkansas by North

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Windstorm and hail rates for chickens and other poultry on premises of assured have been reduced from \$3 to \$1. When chickens and other poultry are confined in a designated building, the building's windstorm and hail rates are applicable.

Mechanical cotton pickers make their appearance for the first time in the bureau's farm schedule. When insured specifically by make, year, and model, they take a rate of \$1.25 fire and .09 cents extended coverage, applying while in or out of buildings and on or temporarily off the premises.

Term Fire Plan Approved by Oklahoma Board

OKLAHOMA CITY—The Oklahoma insurance board approved a fire insurance benefit plan for three, four or five year term policies written in the state that will effect a 20% saving for policyholders, especially municipal and school agencies, according to C. O. Hunt, secretary.

Under the new regulation, to become effective at a later stipulated date, the insured gets the benefit of the term rate on three, four and five-year policies on the term basis instead of having to pay the premium in advance. Payments will be based on a budget plan by which they will be staggered throughout the time period involved.

Law Bars Former Plan

Because of legal barriers many schools and municipal agencies have been unable to take advantage of the former system by which insurance could be bought for three years by making an initial payment of a lump sum on the basis of two and a half years, as they were permitted to contract expenditures only on a fiscal year basis, Hunt explained.

Insurance companies are doing a business of approximately \$10 million annual premiums in Oklahoma on fire and extended coverage, insurance officials estimated.

William E. Gott, special agent in Arkansas for Gross R. Scruggs & Co., has been awarded the bronze star medal for meritorious service in Germany. He traveled the Arkansas field for a number of years before the war and spent 22 months in the army, 16 of them overseas.

Leta Elwick has been elected president of the Insurance Women's Club of Oklahoma City. Ruby F. Crist, and Esther Goynes are vice-presidents; Hazel Kemp, and Frances Gardner, secretaries. May Howenstein and the new president were elected delegates to the national meeting at Atlanta.

Head Arkansans



S. W. Creekmore



Sterling Frank

By virtue of his election as vice-president of the Arkansas Association of Insurance Agents at their recent annual meeting, Sterling Frank, Dumas, is now in direct line for the presidency two years hence. A former executive committeeman of the association, Mr. Frank is a recently returned war veteran. S. W. Creekmore, Ft. Smith, vice-president for the past two years, was elected to the presidency.

San Francisco Brokers to Meet Four Commissioners in Discussion June 3

In line with a recommendation of its public relations committee, the Society of Insurance Brokers of San Francisco will hold its semi-annual meeting at a luncheon June 3.

Bradley Carr and Steiner Erlanger have been nominated for places on the grievance committee and Cosgrove & Co., Henry Doble Co., Kelley & Thomas, Jack V. Lum, Mark M. Meherin & Son, A. S. Rosenbaum & Co. and Hendrick Vaughan & Co. are nominated for the governing committee.

The society has invited Commissioners Dineen of New York; Harrington, Massachusetts; Allyn, Connecticut; and Garrison, California, to attend the luncheon and participate in a discussion of current problems of the business.

Wash., Ore. Agents Advance Their Meeting Dates

Changes have been made in convention dates of the Oregon and Washington Associations of Insurance Agents. Oregon agents meet in Portland Aug. 12-13 and Washington agents in Tacoma on Aug. 15-16. The Portland meeting will be in the Multnomah hotel and Tacoma headquarters will be the Winthrop hotel.

The two meetings, originally slated for the last week in August, were moved up when it was found hotel facilities would not be available at Portland due to conflicting conventions previously booked. To permit Hunter Brown of Pensacola, Fla., president National Association of Insurance Agents, to appear at both the Oregon and Washington conventions, the Washington Association advanced its date.

Programs for the two gatherings now are being completed and soon will be announced.

To Prepare Coast History

Clyde M. Marshall, president Fire Underwriters Association of the Pacific, has named a special committee to prepare a comprehensive history of fire insurance on the Pacific Coast since 1880, to be placed in the F.U.A.P. library. The committee consists of George H. Whitney, retired assistant manager New Zealand; Frank W. White, Fireman's Fund; Arnold Hodgkinson, retired branch secretary National Automobile Underwriters Association, and William Deans of Deans & Homer.

Gives Marine Course

W. C. Daniels, America Fore, is the instructor on inland marine insurance in the N.A.I.A. educational course at Denver. He was formerly assistant manager of the inland marine department in Chicago and was an instructor in the Insurance Institute course there.

Rayward Addresses Forum

SAN FRANCISCO—Functions of the sprinkler department of the Pacific Board in meeting the problems of fire risks in city and towns—with or without adequate fire protection facilities—were described at the May 23 meeting of the Fire Underwriters Forum of San Francisco by T. H. O. Rayward, sprinkler engineer.

Oppose Auto Dealers as Agents

The California Association of Insurance Agents, through its directors, has reaffirmed its stand against appointing automobile dealers as agents or accepting business from such dealers. This is in accord with the association's declaration of guiding principles as approved in 1941.

New Deposit Premium Rule on Hops Cover Announced

A new rule for computing deposit premiums under the hop provisional reporting policy form has been released, effective May 22, according to the Washington Surveying & Rating Bureau.

The rule provides: "The amount of the deposit premium shall be based on the values of the previous season at each location, due regard to be taken of the estimated percentage increase, or decrease, in the value of hops for the current year; except that in no case shall the deposit premium be less than that premium calculated on 50% of the limits of liability."

"If there has been no previous experience, the amounts then shall be based on estimates for the year, which shall not be less than 50% of the aggregate limits of liability. In either case, when the limits are increased during the currency of the policy, a proportionate additional deposit premium shall be collected."

"Charge for drying permit shall be made at the location (1) to which it is applicable and premium therefor shall be computed at the full seasonal hop drying charge on the highest weekly values reported during drying operations."

Schroeter Joins Father's Agency

Harry Schroeter, Jr., just released from the army after four years and formerly special agent for American, has joined the Schroeter & White agency in Oakland, Cal., as a partner. The senior partner is his father, past president of the California Association of Insurance Agents. Elmer White, the other partner, is also a past president of the association.

Two Join Pettit-Frazier

Two additions have been made to the staff of Pettit-Frazier Co., Seattle brokers. George J. Morry, who was with General Casualty at Seattle before serving in the navy during the war, is now an underwriter with the firm and John G. Wentworth, also a navy veteran, will specialize in production of life, accident and health business.

Join in June 3 Outing

The annual golf tournament of Spokane local agents and special agents will be held June 3 at Hayden Lake. E. M. Leonard is handling arrangements. Following the tournament, the agents and fieldmen will join in the traditional annual banquet.

Carlson Claims Manager

Ragnar A. Carlson, who served in the navy during the war, has returned to Northwestern Mutual Fire and has been appointed claims manager for the intermountain department at Salt Lake City. He was with the company's claims division for 12 years before entering service.

NEWS BRIEFS

John Phelan, special agent of Fireman's Fund Indemnity, addressed the San Bernardino-Riverside Association of Insurance Agents on "Comprehensive Automobile Coverage."

Leo Cashatt, attorney, spoke on subrogation at the May meeting of the Spokane Insurance Association.

Miss Louise Dolman has been elected

president of the Insurance Women of Pueblo. Mrs. Elvira King is vice-president; Miss Josephine Garone and Miss Marie Porter, secretaries. The Seattle Insurance Women held a dinner meeting May 28.

EAST

Allen, Stone Vt. Speakers June 4

Edward M. Allen, who is soon to retire as executive vice-president of National Surety, will be the banquet speaker at the spring meeting of the Vermont Association of Insurance Agents at Woodstock Inn, Woodstock, June 4.

At the afternoon business meeting the speakers will be Arthur H. Clarke, special agent of Springfield F. & M., who will give some pointers on the auto fire and theft policy; F. P. O. Potter, engineer of Automobile, who will describe some of the insurance questions involved in the increased building costs, and Edward C. Stone, U. S. manager of Employers Liability.

Merchants & Farmers Changes

Edmund L. Sanders has retired as president of Merchants & Farmers Mutual Fire, Boston, after 57 years with the company, and is succeeded as president by Alexander H. Bullock. Clifford A. Peterson was elected vice-president. Henry M. Weston, who was assistant secretary of National Grange Fire before the war, has joined the company.

Brewster, Mayer on L. I. Program

At the meeting of the Suffolk County Agents Association at Patchogue, L. I., June 3 William H. Brewster, assistant manager of the National Bureau of Casualty & Surety Underwriters in charge of the automobile division, will discuss "New Developments in Automobile Liability," and John G. Mayer, assistant secretary of the National Association of Insurance Agents, "The Bank and Agent Plan in Action."

Need Policyholder Ratification

Pioneer Mutual of Boston has called a meeting of policyholders for July 17 to vote on a proposal to ratify the guaranty capital of \$25,000.

Pioneer Mutual is a fire company, organized by the Abromson brothers at Cambridge in 1935 and head offices moved to Boston in 1941.

The guaranty capital consisting of 250 shares of \$100 par had been put up for some time but under the commissioners ruling it needs a policyholders ratification to meet insurance law requirements.

The Massachusetts Association of Insurance Women, which now has 346 members, holds its annual meeting in Boston with 100 in attendance. E. C. Stone, U. S. manager of Employers Liability, emphasized how the war years made it possible for women to demonstrate their fitness and ability. New officers elected are: President, Rosamond Payne, Henry A. Bidwell agency, Northampton; vice-president, Katherine O'Brien, Saxonville; secretary, Alma Ayre, John E. Stafford & Co. agency, Fall River.

Toledo Agency Is Dissolved

Herbert Boynton and A. B. Regenold have dissolved the Long, Boynton & Regenold agency of Toledo and each will operate his own agency hereafter.

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CANADIAN

Ask Revision of Tax Laws to Remove Discrimination

TORONTO—Stock fire companies are asking for a revision in income tax legislation which, it is claimed, discriminates between competitors. A. Leslie Ham, Montreal manager for the Canadian Underwriters Association and counsel for stock companies writing fire, automobile and casualty insurance, has prepared a brief for the Canadian senate special committee on income tax in which he tells of the income tax privilege accorded mutuals which stock companies cannot obtain.

Takes Exception to Statement

He commends the findings of the McDougall royal commission urging of equality of treatment between stock insurers and mutuals. However, he differs from the commission finding that mutual insurers in certain cases render a service "which is not provided by other organizations, notably in insuring farm and other unprotected rural risks." Agreeing that the mutuals service the bulk of the fire insurance market for farmers, Mr. Ham pointed out they do not provide facilities for automobile or hail insurance "so that the statement as regards special services rendered applies to

the competitors of the mutual insurers as well as to the mutuals themselves."

Graham to Great American

Great American has appointed William B. Graham casualty inspector for Ontario. He has been with Canadian General and previously was with Norwich Union and General Accident.

Am. Reserve Names Willemson

American Reserve has named V. R. Willemson chief agent in Canada. Mr. Willemson is president of Sterling Offices of Canada. American Reserve has been a reinsurer of Canadian companies for more than 20 years.

MARINE

Marine Surcharge Rates Are Again Reduced

Leading American marine underwriters will on June 1 put in effect substantial reductions in surcharge rates on broader coverages. Rates for F.P.A. or W/A were reduced only last March.

Largest reductions will be for shipping to and from Belgium, France and Holland, these reductions being about 40 cents per \$100.

The surcharge rates, which were instituted during the war, are intended to

take care of the fact that shipping and port conditions are in very bad shape due to the war. They also include additional charges for the marine extension clause which extends coverage during deviations and delays outside of control of the assured.

The fact that port facilities, transportation and communications are so poor has often led to losses unknown to the underwriters until some length of time has transpired. When conditions again return to a more normal basis it is assumed that surcharge rates will be largely eliminated.

Phoenix to Cover Cameras at Atom Bomb Explosion

Phoenix of Hartford will provide "all risks" insurance on cameras and equipment to be used in the atomic bomb test off Bikini Atoll. The R. S. Paviour & Son agency, Rochester, N. Y., has written the cover.

It is expected that 600 pounds of photographic equipment will leave Rochester by air June 15 and underwriters, while considering the possibility of equipment being exposed in remote controlled planes, are of the opinion that the hazard is largely one of transportation by aircraft rather than destruction by explosion.

I.M.U.A. Rate Promulgated

The policy protects against all risks for three months and to the extent of \$10,000. A rate has been promulgated by the Inland Marine Underwriters Association and the policy is the standard form covering cameras, projecting machines and equipment world-wide.

Frank Rimmer & Co. Opens Oklahoma Unit

Frank Rimmer & Co., general agent of Dallas, is opening an office in the Mercantile building, Oklahoma City. It will be in charge of D. Haden Linebaugh, state agent. He is a native Oklahoman and has been with Frank Rimmer several years.

Frank Rimmer & Co. confines its writings to all classes of ocean and inland marine.

Brown to Balfour, Guthrie

Balfour, Guthrie & Co., coast general agency, has appointed Windsor A. Brown, Jr., manager of the marine department in Portland, Ore. Mr. Brown, who recently returned from overseas duty, has been in the marine insurance field since 1935. He was formerly with Marine Office of America and with Johnson & Higgins, both in Seattle.

Two Assistant Secretaries

Charles E. Coleman and William I. Pedersen have been named assistant secretaries for Albert Ullmann marine office in New York. Mr. Pedersen, a captain in the army air corps, was formerly with Commercial Union and Royal-Liverpool. Mr. Coleman, a master sergeant in the army air force, was previously with Marsh & McLennan.

Joins Rathbone, King & Seeley

LOS ANGELES—Frederic M. Hurd has been appointed marine superintendent of the Los Angeles office of Rathbone, King & Seeley. He started with Cook County Loss Adjustment Bureau in 1932, was with Marsh & McLennan in New York and also with Fred S. James & Co. On his release from the navy he went with Cosgrove & Co. in the marine department. His father is E. R. Hurd, just retired as Chicago manager of Home.

Anderson Cal. State Agent

Automobile of Hartford has appointed C. A. Anderson state agent for marine lines in California. He is just back from service in the army air force. Formerly he was special agent in southern California. He will have headquarters in San Francisco.

MOTOR

Auto Dealer's Big Profits Aid Bank-Agent Plan

Results are already being shown under the bank-agent plan in connection with new cars. Some of the banks that are cooperating in this program report that they are getting financed deals every day now.

One of the theoretical bugaboos has been that until new car production began to catch up with demand, the auto dealer would be in the driver's seat and would sell his cars only to those that would take his financing deal. However, as it is working out, many dealers are getting from \$300 to \$500 or more above ceiling for new cars, usually by allowing a low trade-in value, and their profits are so large that the consideration involved in the finance-insurance package is of contemptibly small proportions, averaging as it does some \$13 or \$15. That becomes a very secondary matter and the dealer is not making much of an issue of bank-agent deals.

There are reports of dealers having refused to accept a bank's check. However, they have been quickly brought to time when the bank has taken the position that the sale of a car and the financing transaction constitutes what is known as a combination sale and hence, is within the purview of the OPA. A good many dealers would dislike to have the OPA going through their books and in these cases a word to the wise seems to be sufficient.

Some insurance agents and car buyers have suggested that the buyer tender his own personal check to the dealer but the banks insist upon meeting the issue squarely and are calling for a showdown.

National Auto Club Staff Men Are Reelected

William Deans of the general agency of Deans & Homer was reelected president of the National Automobile Club in San Francisco at the annual meeting last week. H. F. Mills, Aetna Fire, was reelected vice-president and C. A. Craft, Phoenix Assurance, treasurer. R. H. Griffith, Glens Falls, is chairman and W. W. Gilmore, London & Lancashire, vice-chairman.

C. E. Allen, Northern Assurance; John C. Bunyan, Commercial Union; R. L. Countryman, Norwich Union; E. V. Oliver, Security; Samuel T. Shottwell, North British, and B. G. Wills, Fireman's Fund, were elected to the executive committee. H. E. Manners, general manager, and Arnold Hodgkinson were reelected secretary and assistant secretary.

New Law on Agency Retirements

BOSTON—Provision for the retirement or death of insurance agency or brokerage partnerships in Massachusetts is made in a bill signed by the governor. The new law provides for the inclusion of retired partners without their being specified in the license. Executives and administrators and trustees of the estates of deceased partners may be included in a partnership for not more than 10 years.

Such retired partners, or legal representatives, are not authorized to act for the partnership in any matter requiring a license except that they may request old customers of the firm to continue their business with the firm.

The act applies to the law on licensing of partnership to act as insurance agents or brokers or adjusters of fire losses, and applies only to "non-specified partners" as distinguished from partners who are required to be specified in the partnership license.

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An

Business Builder

C. D. P. (Customer Development Plan)



Screening Clients for Higher Income

Aetna's Customer Development Plan offers agents a simple, practical and successful method for "screening" the clients on their books for more profitable agency operation.

The Plan quickly shows up the weak spots in an agency's production program and the points where sales effort should be directed. Also, it furnishes an ideal prospect list for use during new business campaigns or for conducting mail or telephone campaigns. In addition, it also

saves considerable time in the handling of renewals.

Like most effective modern methods, however, Aetna's Customer Development Plan is simple and easy to operate. It fits every agency size and every class of customer. Yet it is a tested money maker that works. Together with other Aetna Business Builders, it provides a foundation for agency development that guarantees success. May we tell you more about it?

AETNA CASUALTY AND SURETY COMPANY

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BUSINESS BUILDERS



*Did you ever see
a Dream **BURNING?***

HOMES like this represent the realization of yesterday's dreams... dreams that materialized as the result of thought, saving, and hard work... the fulfillment of years of careful planning.

Part of the dream was protecting the home... but the owner may find that the fire insurance and other property coverages he carefully planned are inadequate today... that soaring replacement values would prevent rebuilding anything like his present home at its original cost.

Urging policyholders to keep pace with value, alert Home producers today are recommending new property appraisals, with new insurance adjustments wherever necessary, reflecting the sound judgment and experience of The Home — America's leading insurance protector of American Homes and the Homes of American Industry.

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